



KAMEDA SEIKA Group

Integrated Report

2022

KAMEDA SEIKA CO., LTD.

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Editorial Policy

The KAMEDA SEIKA Group has published an integrated report since 2021. This report presents the Group's business model, goal and initiatives for creating value to stakeholders in an easy to understand format, with the intention of enhancing communication that will generate further value. The KAMEDA SEIKA Group Integrated Report has been prepared with reference to the *International Integrated Reporting Framework* issued by the IFRS Foundation and *Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation (Guidance for Collaborative Value Creation)* issued by Japan's Ministry of Economy, Trade and Industry.

Note: In this report, monetary amounts and numbers of shares held are rounded down to the nearest unit, and percentages are rounded to one decimal place.

“Better For You”

A major goal of the KAMEDA SEIKA Group is to expand its business domain and become a “Global Food Company.” As we strive to achieve this goal, we will offer our customers the value of “contribution to a healthy lifestyle through the selection, eating and enjoyment of things that are delicious and good for the body.” Our target for FY2030 is to use the provision of this kind of customer value to evolve from a rice cracker and snack manufacturer into a “Better For You” food company.

Scope of Report

KAMEDA SEIKA CO., LTD. and its consolidated subsidiaries
Reporting Period: April 1, 2021 to March 31, 2022
(Some information from before and after this period is included.)

Note on Forward-looking Statements

Statements in this report pertaining to the future, such as forecasts of business performance, are estimates based on information available at the time of publishing and therefore contain inherent risks and uncertainties. Actual results may differ significantly from expectations due to various factors.

Corporate Philosophy

Founding Philosophy

During the food shortages in Japan immediately after World War II, our founder felt that **“Men can find pleasure in drinking, but there is no enjoyment for women and children.**

I want to give them something that can bring enjoyment and delight to their lives.”

This became our founding philosophy, and KAMEDA SEIKA was born. With no prior experience, he began making *mizuame*—a thick, clear and sticky starch syrup.

Mission Statement

製菓展道立己 (*Seika-Tendo-Rikki*)

As a manufacturer and seller of rice crackers and snacks, we will explore the path to find our identity by seeking to grow through refining management and operations widely, including manufacturing technology, product development, and market development. Our identity refers to the Company itself and each individual employee making up the Company. We will work together to improve our social and economic standing.

Management Philosophy

- Respond to the needs of all those involved with the Company
- Ensure the Company flourishes forever

Basic Management Policy

- Manage the Company democratically
- Refrain from using the Company for personal gain
- Be dedicated to planned management

Our Mission

Making the most of nature's blessings, we will create health, deliciousness and excitement, and we will contribute to the greater enrichment of society by delivering enjoyment and delight to people's lives

Our Vision

We aim to become a brand loved by people all over the world by promoting innovation in traditional techniques we have developed in rice cracker production to date and harmonizing our products with regional food cultures



The office of KAMEDA Agricultural Products Cooperative Association, the predecessor of KAMEDA SEIKA and origin of the Company

KAMEDA SEIKA's Global Network/At a Glance

During the more than 75 years since its founding, KAMEDA SEIKA has established itself as the leading rice cracker company in Japan and built a global network to deliver enjoyment and delight to customers around the world. To become a "Global Food Company," we are also expanding beyond rice crackers into the food business.

At a Glance

(As of March 31, 2022)

Number of Employees (Consolidated)

3,776

Consolidated Net Sales

¥85,163 million

Consolidated Operating Income

¥4,832 million

Net Sales by Segment

Domestic Rice Cracker Business

¥62,971 million

Overseas Business

¥9,183 million

Food Business

¥6,309 million

Overseas Network



U.S.A.

TH FOODS, INC.

Formed a capital and business alliance in 1989. Manufactures and sells low-calorie, low-fat and low-allergen rice crackers.



U.S.A.

Mary's Gone Crackers, Inc.

Became a Group company in 2012. Manufactures and sells organic, gluten-free, vegan and other high-value-added crackers.



U.S.A.

KAMEDA USA, INC.

Established in 2008. Acts as a sales company for cross-border transactions to North America.



India

Daawat KAMEDA (India) Private Limited

Established as a joint venture in 2017. Manufactures and sells Kari-Kari, a version of KAMEDA Kaki-no-Tane for the Indian market.



Thailand

Singha Kameda (Thailand) Co., Ltd.

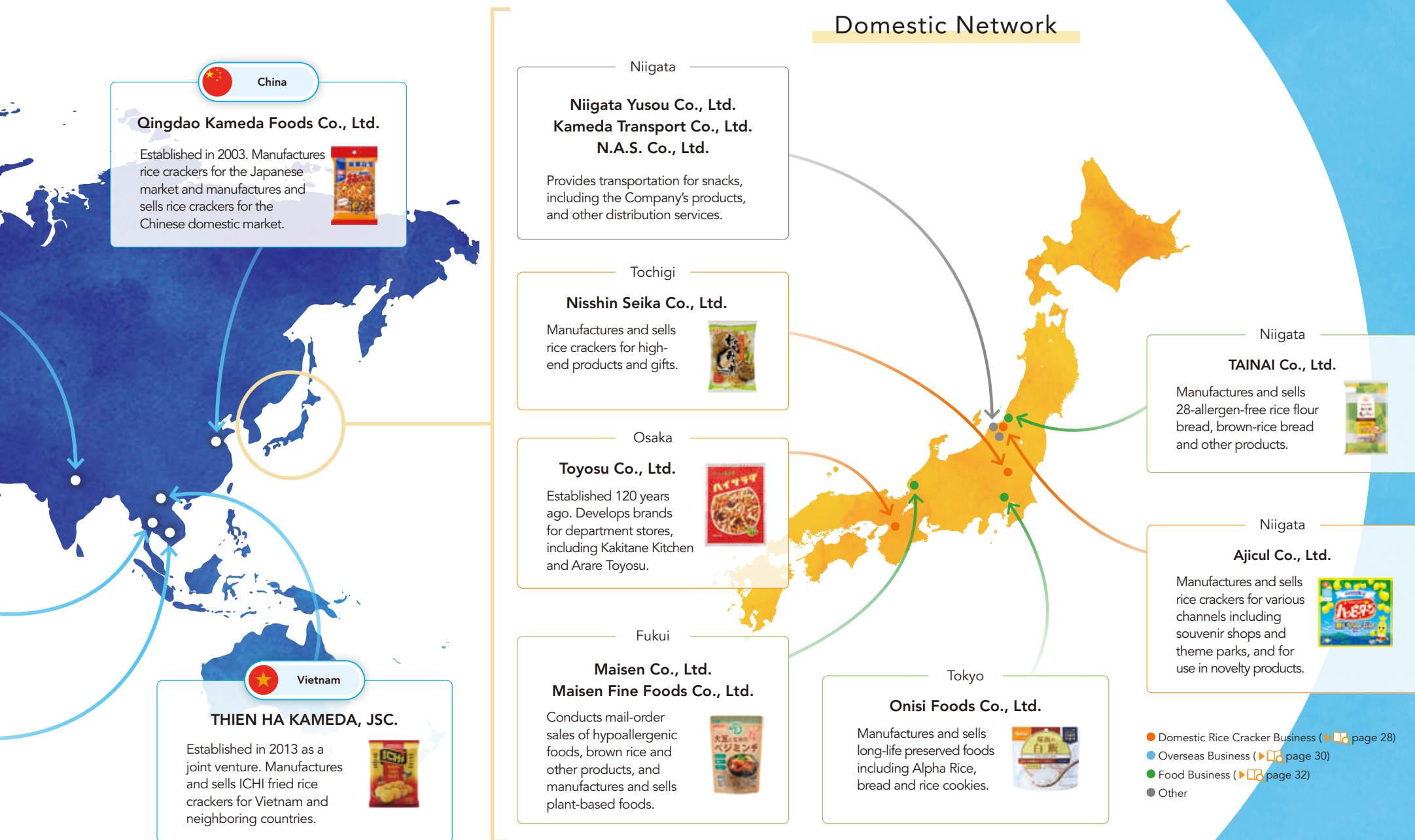
Established as a joint venture in 2020. Manufactures and sells rice crackers and serves as a base for global cross-border transactions encompassing Australia, North America and Japan.



Cambodia

LYLY KAMEDA CO., LTD.

Established as a joint venture in 2018. Supplies OEM rice crackers to group companies of PepsiCo ANZ Holdings Pty Ltd.



A History of Creating Value

The history of the KAMEDA SEIKA Group began when we started to make *mizuame* – a thick, clear and sticky starch syrup – with an ambition to “deliver enjoyment and delight to people’s lives” during the food shortages in Japan immediately after World War II. With a mission to provide deliciousness and enjoyment through safe and reliable products, we aim to be a brand that is loved and trusted by people all over the world. In light of all the changes in the operating environment for food companies, we will continue to strive for sustainable growth and improved corporate value.

Social Background

KAMEDA SEIKA's Path

Business Portfolio Changes

Net Sales

(Millions of yen)



- Rapid economic growth
- Baby boom
- Mass consumer society
- Oil crisis

1946-1980s

Rapid post-founding growth into Japan's leading rice cracker company, forming the foundation of the business

Founded in 1946 as a consignment processing plant for *mizuame* starch syrup. Following incorporation in 1957, the Company grew rapidly by establishing a pioneering mass-production system for rice crackers, creating a nationwide sales network and developing technologies with the opening of a research center to become number one in sales in Japan's rice cracker market in 1975. In 1984, it became the first company in the rice cracker industry to publicly list its stock. By leveraging its strengths, including product development tailored to contemporary conditions and a powerful distribution network, KAMEDA SEIKA solidified its position as the leading company in the industry.

Domestic Rice Cracker

- 1946 Established the KAMEDA Farmers' Association consignment processing plant
- 1950 Reorganized into the KAMEDA Agricultural Products Cooperative Association
- 1957 Reorganized into KAMEDA SEIKA CO., LTD. Formulated Mission Statement, Management Philosophy and Basic Management Policy
- 1960 Opened research center
- 1966 Kaki-no-Tane with Peanuts released
- 1975 Reached No. 1 in net sales in the Japanese domestic rice cracker market
- 1976 Happy Turn released
- 1984 Listed on the Niigata Stock Exchange
- 1989 Capital and business alliance with SESMARK FOODS, INC. (currently TH FOODS, INC.)



- Rising awareness of food safety
- Burst of Japan's economic bubble
- Diversifying consumer needs
- Aging society

1990-2000s

Aggressive overseas expansion aimed at becoming a "Global Food Company"

In the 1990s, business performance weakened due to the recession that followed the bursting of Japan's bubble economy and a market slump caused by a domestic rice shortage. The Company implemented structural reforms and began entering overseas markets to achieve sustainable growth. Starting in 1989 through a capital and business alliance with SESMARK FOODS, INC. (currently TH FOODS, INC.) of the United States, overseas expansion accelerated with the establishment of a joint venture in Vietnam and Group companies in China and the United States.

Domestic Rice Cracker Overseas

- 1992 Niigata Yusou Co., Ltd. and Ajicul Foods Co., Ltd. (currently Ajicul Co., Ltd.) became Group companies
- 1993 Eunoss Road Niigata KK (currently N.A.S. Co., Ltd.) became a Group company
- 1996 Invested in HAIHA-KAMEDA JOINT VENTURE CO., LTD. (dissolved in 1998)
- 2000 Listed on the Second Section of the Tokyo Stock Exchange
- 2003 Established Qingdao Kameda Foods Co., Ltd.
- 2004 Toyosu Co., Ltd. became a Group company
- 2005 Nisshin Seika Co., Ltd. became a Group company
- 2005 Established Kameda Transport Co., Ltd.
- Established Tianjin Kameda Food Co., Ltd. (all equity transferred in 2012)
- 2008 Established KAMEDA USA, INC.



- Rising health awareness
- Adoption of the SDGs
- COVID-19 pandemic
- Heightening of geopolitical risks

2010 onward

Transition from a rice cracker and snack manufacturer into a food company providing value through "Better For You" foods

Mary's Gone Crackers, Inc. was a pioneer of the "Better For You" philosophy in the United States, and adding it to the Group has enabled further expansion overseas. Meanwhile, KAMEDA SEIKA has been working to expand its business into foods other than rice crackers, based on its many years of research into rice. In its medium-term business plan formulated in FY2018, the Company stated that it would make a full-scale expansion from the rice cracker and snack industry into the food industry and has been conducting initiatives for sustainable growth. It has also worked proactively to strengthen corporate governance, building a mechanism for ensuring management transparency, fairness, planning and speed.

Domestic Rice Cracker Overseas Food

- 2012 Changed listing to the First Section of the Tokyo Stock Exchange
- Mary's Gone Crackers, Inc. became a Group company
- 2013 Onisi Foods Co., Ltd. became a Group company
- Established THIEN HA KAMEDA, JSC.
- 2015 Formulated Mission and Vision
- 2017 Established Daawat KAMEDA (India) Private Limited
- 2018 Established LYLY KAMEDA CO., LTD.
- 2019 Maisen Co., Ltd. and Maisen Fine Foods Co., Ltd. became Group companies
- 2020 Established Singha Kameda (Thailand) Co., Ltd.
- 2021 TAINAI Co., Ltd. became a Group company
- THIEN HA KAMEDA, JSC. became a consolidated subsidiary



FY2021 Net Sales
¥85,163
million

Note: Consolidated net sales from FY2001. From FY2021, figures are presented after applying the Accounting Standard for Revenue Recognition.

Creating Value by Combining Our Many Strengths

Loved by many customers, KAMEDA Kaki-no-Tane and Happy Turn are bestsellers for KAMEDA SEIKA. Behind the success of these products is a history of innovation and challenges as we have worked to deliver deliciousness and delight to as many people as possible.

Kaki-no-tane itself was actually invented around 1924. KAMEDA SEIKA began selling kaki-no-tane by weight in 1950, and then offering it in packages around 1960. We launched Kaki-no-Tane with Peanuts in 1966, and have since created new markets by expanding our product lineup and sales channels in ways such as selling products customized for department stores, offering limited regional editions of products and expanding overseas. Similar products periodically appear, but we have differentiated our brands through continuous innovation. Currently, KAMEDA Kaki-no-Tane has a market share of 72.2%* in the kaki-no-tane category.

We will continue to innovate and take on challenges to create products that are loved by customers.

* Source: SRI+® (Nationwide Retail Store Panel Survey) by INTAGE Inc., cumulative sales by brand from April 2021 to March 2022



▲ 1966
Kaki-no-Tane with Peanuts released



▲ 1977
Released Fresh Pack, the first kaki-no-tane six-pack



▲ 1989
Became the first rice cracker manufacturer to prevent peanuts from oxidizing by filling individual packages with nitrogen



▲ 1994
Differentiated brands by using a blue ribbon on packages to counter falling prices brought on by the appearance of similar products



▲ 2016
The first TANEBITS shop themed around KAMEDA Kaki-no-Tane opened



▲ 2017
Released KARIKARI, a version of KAMEDA Kaki-no-Tane, in India
KAMEDA Kaki-no-Tane certified as a "Japanese Space Food" by the Japan Aerospace Exploration Agency (JAXA)



▲ 2010
Released a version of KAMEDA Kaki-no-Tane in China



▲ 2020
Changed the ratio of kaki-no-tane to peanuts (by weight) from 6:4 to 7:3 as per a national referendum

KAMEDA Kaki-no-Tane

Happy Turn

1960 1970 1980 1990 2000 2010

Happy Turn released in 1976 while Japan was in a recession after the first oil crisis, and the product name expressed our hope of a return to happiness for our customers.

Given concerns about difficulty selling conventional products during a recession, KAMEDA SEIKA developed rice crackers that were sweet instead of the standard soy sauce and salt flavoring. Products were individually wrapped like candy in plastic to prevent the powdered coating from coming off.

We will continue to deliver even greater delight to customers by growing Happy Turn, which has earned customer affection, beyond the rice cracker category.



◀ 1976
Happy Turn released under the tagline of "delicious and invigorating European-style rice crackers"



◀ 2005
Developed a manufacturing method for adding grooves on powder-coated products that would hold the powder



▲ 2007
Developed a manufacturing method that creates a rougher surface that retains the coating to complement the process for adding grooves to hold the powder



▲ 2009
Upgraded manufacturing method to increase the width of grooves to hold the powder



▲ 2015
Improved the particle size of sugar and salt in powdered coatings to intensify sweet and salty flavors, and increased the size of the grooves that hold the powder



▲ 2019
Developed a manufacturing method for sprinkling seasonings to create a rich, delicious taste



▲ 2012
First Happy Turn's shop themed around Happy Turn opened

Message from the Chairman & CEO

**From the Leading Rice Cracker
Manufacturer to a Unique
“Global Food Company”**

Lekh Raj Juneja
Chairman & CEO

Meaning of the KAMEDA SEIKA Brand

I am humbled to have been entrusted with the management of KAMEDA SEIKA. I have been involved in the management of several businesses both in Japan and overseas. They were all excellent companies to work for, but the great appeal of being a part of KAMEDA SEIKA is that I can make people smile just by presenting my business card. Our products, which arose from an ambition to deliver enjoyment and delight to people's lives during the food shortages in Japan immediately after World War II are now widely loved around the world. For many years, I would take KAMEDA Kaki-no-Tane as a souvenir whenever I traveled overseas, so I too feel a strong attachment to the brand.

KAMEDA SEIKA's aim of evolving from Japan's leading rice cracker manufacturer into a unique "Global Food Company" loved by people around the world will entail taking on a variety of challenges while utilizing the strengths it has developed. In order to revolutionize our products and processes in pursuit of value for customers, I consider it my mission to change mindsets and make the entire KAMEDA SEIKA Group a place where employees who are full of vitality can enjoy work they find fulfilling and rewarding, and feel glad to have joined the company. I believe this will also bring a smile to the faces of our stakeholders.

Corporate Culture Reform Based on Respect

In June 2022, I became Chairman & CEO and started a dialogue with employees by sending a video message together with President & COO Takagi to all Group companies in Japan and overseas. Since then, we have been conducting the "Top Caravan" initiative with the objective of visiting all work sites and

engaging in direct dialogue. Many employees are committed to their work, and not only have they offered numerous opinions and ideas, but I also felt their love for the Company.

As we work to become a "Global Food Company," I want us to value the idea of respect. With our business expansion to date, the nationalities of our employees have become more diverse, and the KAMEDA SEIKA Group is made up of people with various backgrounds. Turning that diversity into a strength requires creating a culture of mutual respect. In that sense, I feel that my own background, including my non-Japanese origin and experience in different industries, has strong significance.

I want all employees to be willing to take on challenges and act without fear of failure, and to respect each other. We must avoid the scenario where we have discussions that do not lead to either moving forward or taking on challenges. Taking on challenges and acting with positive intent are the forces that drive a company.

The issue with our current human resource development system is that the new ideas of young employees are not being fully utilized in business. To flexibly leverage the creativity that is unique to the young as a growth engine for creating innovative products, we must first create a workplace where people who respect each other can act as freethinking individuals. Similarly, one person cannot manage an entire company alone. I intend to proceed together with employees and improve day by day as I learn from them. With an appreciation for the senior management and employees who wrote the previous chapters of KAMEDA SEIKA's history and made it a company loved by many, I will share our unique story with the world.

Aligning Our Approach to Value Creation

The KAMEDA SEIKA Group has set the goal of becoming a "Global Food Company" while "Evolving from a rice cracker and snack manufacturer into a 'Better For You' food company." Under our medium-term business plan Changing Gears 2023, we will establish the domestic rice cracker business, overseas business, and food business as the three pillars, and we aim to balance sales from the overseas and food businesses with those of the domestic rice cracker business.

"Better For You" is a concept that means "Contribution to a healthy lifestyle through the selection, eating and enjoyment of things that are delicious and good for the body." For our key management theme, we have singled out creating high-value-added products unique to KAMEDA SEIKA and promoting innovation for that purpose.

KAMEDA SEIKA is synonymous with food, and the Japanese character for "food" is written in a way that can mean "Make a person better." Making someone better does not only relate to physical health; it also includes factors linked to concepts that date back to our founding, such as well-being and the happiness that comes from eating. We believe that we can achieve our goal by creating better products that enable us to evolve into a "Better For You" food company.

In our core domestic rice cracker business, we will enhance the uniqueness of KAMEDA SEIKA by conducting two kinds of innovation – upgrading and updating. (▶▶▶ For more details, see "Domestic Rice Cracker Business" on page 29)

As the number of rice cracker manufacturers has been decreasing each year, KAMEDA SEIKA now has around a 40% share of the domestic rice cracker market with well-known,

long-selling products such as KAMEDA Kaki-no-Tane, Happy Turn and Potapota Yaki. However, we do not think it is best simply to maintain the status quo. I consider it the mission of KAMEDA SEIKA to deliver enjoyment and delight to our customers by continuously refining value (upgrading) and creating new value in rice crackers (updating). We will further expand our business by rolling out these two kinds of innovation in our overseas and food businesses.

By focusing on the creation of high-value-added products, we intend to innovate the development process with new ideas that maximize the potential of rice, rice crackers and KAMEDA SEIKA itself to create rice crackers for the future.

Through our core competence in rice-related know-how and processing technologies, we aim to become a “Global Food Company” that delivers enjoyment and delight to people around the world. I believe that this, in turn, will lead to the sustained growth of KAMEDA SEIKA as well as the happiness of people worldwide.

Of course, KAMEDA SEIKA has a long history of rice-related research and development. In addition to our processing technologies for rice crackers, Alpha Rice, plant-based foods and rice flour bread, our wide variety of technological innovations include research on plant origin lactic acid bacteria and functional materials. We take pride in being the only

company that has investigated rice to this extent, and believe it is one of our strengths. (▶QR For more details, see “Special Feature: The Rice Research Center’s Role in Expanding the Potential of Rice” on page 21)

Our business expansion to North America and Asia has also largely relied on the transfer of rice cracker processing technologies, and we are lucky to have partners in many countries, where we have already started creating value. Our vision going forward is for such technologies to be developed not just in Japan but globally, and established as core competencies. With the overseas rollout of rice crackers and the expansion of our food business, including plant origin lactic acid bacteria, plant-based foods and rice flour bread, we intend to deliver products with value to customers in the vast global market. We will make effective use of partnerships rather than focusing solely on self-growth as we work to expand our business.

By removing the barriers between the domestic and overseas markets and developing products from a global perspective in a shift from “Made in Japan” to “Made with Japan,” we will generate innovation that helps resolve social issues both inside and outside Japan. To achieve this goal, there are many aspects of our business that we must strengthen, including accumulating more know-how and securing intellectual property rights. Onisi Foods Co., Ltd., which handles long-life preserved foods and has become a mainstay of the KAMEDA SEIKA Group, and all our other domestic and overseas Group companies are aligned with this approach to value creation, and share the goal of becoming a food company that serves the entire global population of 8 billion people. I will stand at the forefront to lead this initiative.

Aiming to Become a “Global Food Company”

Revolutionary Change
of Customer Value

Evolving from a rice cracker and snack manufacturer
into a “Better For You” food company

“Better For You” KAMEDA

Healthy crackers & foods

Choose, eat and enjoy tasty and healthy foods!
We will contribute to healthy lifestyles!!

“Better For You” Foods

Utilizing the whole range of nutrients in raw ingredients to
provide delicious and healthy foods – Using the nutrients
inherent in the ingredients to make you healthy from within –

U.S. & European-style “Better For You”

Non-GMO, Organic, Gluten-Free,
Whole Grain and Vegan

Achieving Sustainability for KAMEDA SEIKA

Under the new management structure, we will pursue business on a wider stage by making the most of our ingredients, expertise and manufacturing technologies. This new stage covers not only the areas of deliciousness and health, but also hypoallergenic products, globalization and eco-friendliness.

We have selected four keywords for making the KAMEDA SEIKA Group more sustainable – originality, novelty, sustainability and profitability. Based on these keywords, we will consider what customers want from our products and what we can do to better satisfy them, and reflect our conclusions in management. In addition to providing safe and reliable food, we strive to create value that incorporates the KAMEDA SEIKA Group's approach of offering products that customers will support, to firmly secure both our top and bottom lines.

To meet the demands of society as a food company, we will work for sustainability in the food supply chain by conserving energy in manufacturing processes, reducing greenhouse gas emissions by improving logistics, and reducing the amount of plastic used by switching to ECO-packages, among other measures. As Chairman & CEO, I will lead and promote sustainability initiatives throughout the Group.

As the first step, we looked at the “key issues for sustainability” identified in the previous fiscal year and revised them into “materiality.” Going forward, we will set targets and KPIs for materiality and work toward resolution. (▶▶ For more details, see “Identification of Materiality (Material Issues)” on page 18)



To Our Stakeholders

To become a “Global Food Company,” in addition to pursuing originality, we must innovate if we are to continue providing customers with high-value-added products. To do so, consistently looking ahead will be crucial. By anticipating global changes over an extended timeframe of 30 or 50 years to create new markets and products, we hope to contribute to society and people's happiness through food. I believe that is the very reason KAMEDA SEIKA exists.

KAMEDA SEIKA's corporate brand represents the accumulation of the trust we have earned and proof of our reliability and dependability. I believe that by establishing and further evolving the three pillars under the new management structure set forth in our medium-term business plan we will add greater luster to the brand. We will continue to meet the expectations of all our stakeholders – including customers, shareholders, employees, business partners and local communities – as we work to play a part on the world stage as a “Global Food Company,” thus helping to better ensure the continued existence of KAMEDA SEIKA. We look forward to your ongoing support.

Message from the President & COO



**Moving Forward by Providing
New Value with the Youth
and Determination Expected
of a New President**

Masanori Takagi
President & COO

On Becoming President

I was born and raised in Kameda-machi, Nakakambara-gun (currently Konan-ku, Niigata-shi) in Niigata Prefecture, where KAMEDA SEIKA was founded. Since I was a child, KAMEDA SEIKA has been a familiar presence in my life, and my relatives and other adults in the neighborhood who worked for the Company seemed happy and satisfied. I even wrote in my elementary school graduation essay that my dream for the future was to work at KAMEDA SEIKA. I feel great joy and pride to have joined the company I dreamed of working for since I was a child. First, I acquired 17 years of experience at a factory in Niigata, including as a plant manager. After that, I was also responsible for major non-production departments including sales, personnel and business reform. My experience in various business processes, including production, sales and administration, and dealing directly with the opinions of employees on the front line and the needs of our customers, have formed the basis of my approach to management.

Thanks to the efforts of our predecessors, KAMEDA SEIKA became number one in sales of rice crackers in Japan in 1975. Through its ingenuity in meeting contemporary needs, the Company has expanded both outside Japan and into the food business domain, and the KAMEDA SEIKA Group has established manufacturing and sales bases around the world. Changes in the external environment are likely to become harder to predict going forward, and amid expectations not just for sustainable business growth but also for further improvement in corporate value, we will

need the strength of an organization capable of dealing with all kinds of changes.

Based on my experience in production, sales and administration, I will use my youth and determination to lead reforms across our organization. I realize corporate reform is the role expected of me and an issue to be addressed in the Company's new management structure.

To carry out medium-term business plan Changing Gears 2023 and realize our goal of becoming a "Global Food Company," I aim to create an organization whose members are united in feeling fulfillment, delight and joy.

Adaptability to External Changes Opens a Path to the Future

In retrospect, FY2021 was a year when the management environment changed at an unprecedented speed. From a macro perspective, geopolitical risks increased, and in the rice cracker industry, new trends emerged during the year. Product supply shortages have surfaced and food companies have announced a series of price increases as all costs, including for raw materials, crude oil and fuel, have risen.

KAMEDA SEIKA is no exception. However, as the tight balance of supply and demand for wheat and rising demand for rice crackers outside Japan draw attention to the advantages of rice, I believe that we can find ways out of this difficult situation. For instance, demand is stable in the domestic rice cracker business, and major opportunities are unfolding overseas, including rising

demand for products based on Japanese rice cracker manufacturing technology. We also anticipate an increase in the number of products that use rice flour, so I feel confident that fields where the KAMEDA SEIKA Group is active will continue to expand.

In addition to addressing the business risks brought about by these changes in our operating environment, implementing comprehensive risk countermeasures as we globalize our business will be important for sustainable growth. We create risk maps to confirm levels of importance and respond with both thorough preventative measures and controls in the event a risk materializes.

(▶📄 For more details, see "Risk Management" on page 54)

In FY2021, we focused on taking various measures to minimize the impact of the above factors given the current business environment.

In the domestic rice cracker business, a competitor suspended their operations in February 2022 following a fire, and there was a risk of reduced overall inventory on store shelves. There were also concerns of a loss of some sales outlets as retailers opted for products in other categories such as snacks and biscuits. However, we were able to retain those outlets by focusing all staff on production of current mainstay products and postponing new product launches. The market is now settling down, but all costs continue to rise. To provide new value to customers while taking measures to absorb these costs, all of us at KAMEDA SEIKA will work together to redefine the value we provide by taking our customers' perspective to improve the equity of our products and brands.

The implementation of these initiatives will enable us to reconfigure our businesses into a corporate structure that can adapt to changes in the external environment.

We intend to further expand the overseas business as a growth drive through new product launches at Mary's Gone Crackers, Inc. in the United States, the expansion of business at Singha Kameda (Thailand) Co., Ltd. in Thailand, and making THIEN HA KAMEDA, JSC. in Vietnam a consolidated subsidiary, among other measures. In the food business, in addition to the launch of Group-wide brands for plant-based foods and rice flour bread, our investment in areas with potential for future growth is steadily showing results, as rice flour bread attracts greater attention due to factors including soaring prices for imported wheat and an increase in the number of people with allergies.

Enhancing Profitability with Measures to Advance the Value We Provide

Our strengths and advantages arise from our pursuit of sustainability throughout the entire supply chain to create enjoyment, delight, health, deliciousness and excitement from the blessings of nature. For example, our rice processing technologies – created through the knowledge and know-how of rice and rice crackers we have cultivated over many years of research and development – have established our competitive edge as the leading domestic rice cracker company. We are also creating new value by transferring those technologies to our overseas and food



businesses. (▶📄 For more details, see “Special Feature: The Rice Research Center’s Role in Expanding the Potential of Rice” on page 21)

We achieved mechanization and mass production ahead of other companies, and the unique know-how we have gained through these manufacturing processes enables us

to safely and reliably create consistent deliciousness, and has become the backbone supporting our sustainable growth. We have established an efficient sales system and structured broadly diverse, multichannel distribution through which Group companies provide products for different channels and price ranges.

We will further secure our earnings base by making it adaptable to changes in our operating environment. To do so, we are working to enhance our ability to generate earnings over the medium to long term through multiple cross-organizational projects for improving corporate value. Rather than being content with the status quo, we will implement reforms in areas such as improving product competitiveness, creating a more efficient sales system, strengthening product supply capabilities, realizing global procurement and introducing a new system for improving business efficiency.

Moreover, in addition to further refining our strengths, we must consider alliances and open innovation for further growth going forward, without being constrained by our position as a leading company. I intend to conduct lively exchanges with other food manufacturers and companies in other industries, and to lay the groundwork for our employees to move freely across divisions and play an active role in generating collaborations that transcend corporate boundaries.

In conjunction with this strengthening of our business foundation, we will demonstrate our approach to sustainability management and take realistic measures to promote such management.

The KAMEDA SEIKA Group's goal is to become a "Global Food Company," and we are working to evolve from a rice cracker and snack manufacturer into a "Better For You" food company. In addition to providing the enjoyment and delight of snacks, we will develop products

in touch with customer needs by incorporating new "Better For You" value that contributes to mental and physical health. I intend to do more to communicate KAMEDA SEIKA's appeal to the world by imbuing each product we deliver to customers with this message and our story.

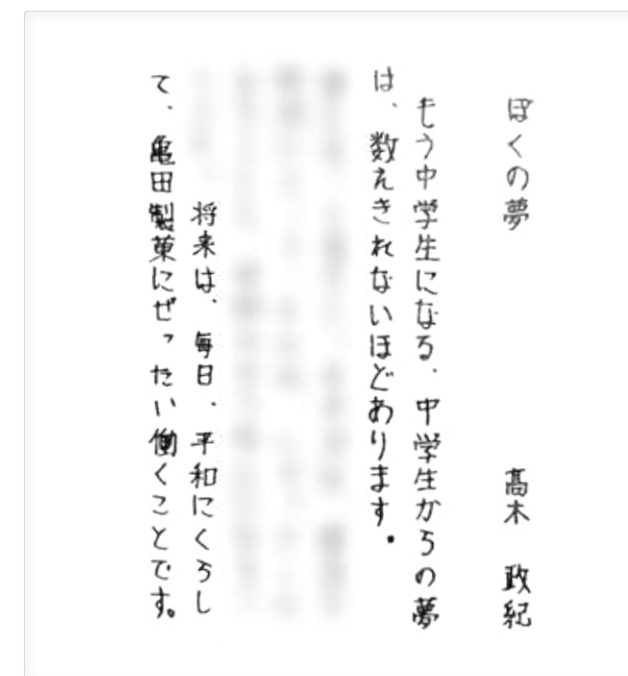
Moving Forward into the Future with Our Employees

Human resources with diverse kinds of expertise who play an active role will be indispensable for KAMEDA SEIKA to achieve its goals. We will establish systems and an environment that allows individuals to change jobs and take on challenges according to their career plans and lifestyles. This will include those who want to become specialists, those who want to become generalists, those who want to be active globally, and those who want to be active in Japan.

We will also accelerate human resource development by delegating decision-making authority over each level to people at our workplaces. Flexible talent management will be essential going forward. Rather than taking a top-down approach, we will go beyond our previous human resource development to create an environment that encourages employees to feel happy and fulfilled, to be unafraid of challenges and to view failure as a source of growth. When we mobilize the knowledge and experience of our capable employees, KAMEDA SEIKA will be able to grow into a

company that can further leverage its strengths. (▶ For more details, see "Society" on page 37)

KAMEDA SEIKA will continue working to further improve its corporate value. Rather than settling for the status quo, we seek to offer our own unique value and continue to grow as a company that society and all our stakeholders can count on. We look forward to your continued support.



Excerpt from elementary school graduation essay, "My Dream"

My Dream

*I am going to be a junior high school student soon and I have many dreams for the future.
(Text missing)*

My dream for the future is to work at KAMEDA SEIKA and live every day in peace.

Masanori Takagi

Message from the Senior Chairman



Expectations for the New Management Team

Passing Along Our Philosophy and Building a New Foundation for Growth

Michiyasu Tanaka

Director, Senior Chairman

In this section, I will look back at the course of KAMEDA SEIKA's management and discuss my expectations for its new structure and the Group's future potential.

A Consistent Commitment to Our Management Philosophy

I was appointed president 16 years ago in 2006. In the beginning, various factors resulted in an array of issues that, in terms of my leadership, I found very challenging. With a deep understanding of the heavy responsibilities involved in managing a company with a long history, I led structural reforms

with unflinching determination because KAMEDA SEIKA would have had no future if we had not changed. I was constantly thinking about what needed to be done and making the right decisions as we streamlined operations and executed aggressive strategies with the support of employees, outside officers and other stakeholders.

Since becoming president, as a manager I have been committed to KAMEDA SEIKA's Management Philosophy. The

two tenets of "respond to the needs of all those involved with the Company" and "ensure the Company flourishes forever" demonstrate a management commitment to stakeholders and sustainable growth that has remained unchanged to this day. As such, I want the new management team to continue passing on this philosophy.

The various reforms we have implemented have created a foundation for growth, but I would say we are only halfway

through the process of reforming our organizational culture. I have always wanted to create a company where employees can work confidently and with peace of mind, but we have not yet achieved that goal.

KAMEDA SEIKA is headquartered in Niigata Prefecture and employs many people from that area. Our employees are tenacious, with a strong sense of ownership and loyalty, but they also know that there are times when modesty is a virtue. I look forward to adding a spirit of taking on challenges to the advantages of this employee mindset and transforming it into our organizational culture as KAMEDA SEIKA becomes more diverse.

There is still work to be done, but as I pass the responsibility for growth to new leadership, I am proud that KAMEDA SEIKA has recovered its corporate strength to the point where it can fulfill its social responsibilities. We have worked with employees to build a solid foundation for the next generation to ensure KAMEDA SEIKA can fulfill its full potential. We will complement our position as Japan's top seller of rice crackers since 1975 in ways such as expanding overseas and building our food business.

Transition to a New Management Structure

Given the dramatic changes in our operating environment, we decided to modernize our management organization by transitioning to a new structure with the vision of achieving further meaningful progress. We reached this conclusion after intense and multifaceted consideration and discussion of who would be the right people for the job.

From the beginning, we designed the mechanism for making decisions around the premise that a forceful top-down approach

entails risks because some 30% of decisions a president makes are wrong. We also took on the challenge of implementing new approaches to governance that are uniquely suited to KAMEDA SEIKA. This involved appointing a majority of outside directors to the Board of Directors, and by delegating authority to the Management Meeting and the Board of Directors to ensure a clearly defined parliamentary-style system.

I believe that the new management team will fully utilize the abilities of its members and also function effectively as a collective to bring out the full potential of KAMEDA SEIKA. Our rapidly changing operating environment makes predicting the future even more difficult. We must therefore remain committed to our Management Philosophy so that we can generate further growth, and to initiatives that ensure effective management. As senior chairman, I will pass on the knowledge and experience I have acquired as a manager, provide guidance as the new management team takes on challenges, and support reform through ongoing corporate governance initiatives.

Message for the Future

The domestic rice cracker business is exposed to the risk of slowing growth due to population decline. However, my belief in KAMEDA SEIKA's potential for growth led to my decision to create new core businesses through the expansion of the overseas and food businesses. We have experienced both ups and downs in expanding overseas, but successful collaboration with companies in the countries we serve has created a synergistic network for cross-border transactions.

In the food business, our strategy is to complement our existing plant origin lactic acid bacteria business with a business model centered on rice-based products ranging from long-life preserved foods to rice flour bread and plant-based food. We intend to both expand the scale of future core businesses and help resolve social issues.

Rice is generally at the core of our businesses. It has enormous untapped potential and possibilities for growth, and we expect our capabilities in addressing allergies to capture attention worldwide. We need to engage in intelligent risk-taking and change our mindset in order to actualize this potential. The entire company must work together to take on these challenges.

Our corporate brand has been proof of the trust and credibility we have earned since day one. We will certainly empower the future by effectively passing on our Management Philosophy, affirming our pride in our corporate brand, and continuing to take on challenges with faith in KAMEDA SEIKA's future.

I hope that KAMEDA SEIKA will continue to grow as a very effective global company that is "relatively small, but full of zest," and that customers and other stakeholders of all generations continue to love.

Value Creation Process

Business Environment

- Changes in global demographics
- Worsening global environmental issues and increase in natural disasters
- Rising awareness of safety, reliability and health
- Diversification of food
- Heightening of geopolitical risks
- Possibility of food shortages due to population increase

Input

Financial Capital

Financial standing capable of stable cash generation (Equity ratio: 61.3%)

Manufacturing Capital

Domestic and overseas manufacturing bases (8 companies in Japan, 7 overseas)
In-house logistics functions (2 companies in Japan)

Intellectual Capital

Knowledge and know-how relating to rice crackers and rice
Product development and production/processing technologies
Patents for plant origin lactic acid bacteria and rice proteins

Human Capital

Diverse human resources (Number of employees: 3,776 (consolidated); ratio of female managers: 13.1%)

Quality control system for safe and reliable products
Free and open corporate culture

Social and Relationship Capital

Long-selling brands
Relationships of trust with customers
Partnerships with suppliers and business partners
Industry-academia-government collaboration
Relationships with local communities

Natural Capital

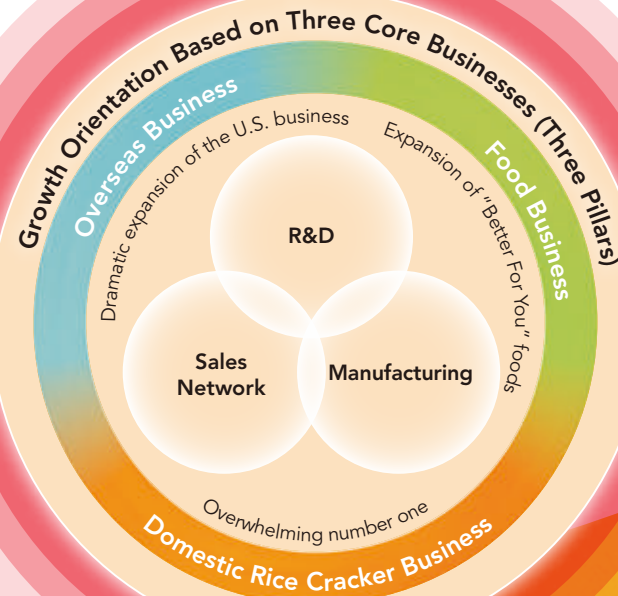
Raw materials from nature's blessings (rice, peanuts, etc.)
Energy and water resources

Goal

"Global Food Company"

Sustainable Business Development and Improved Corporate Value

Management Philosophy



Output

Rice crackers—a traditional Japanese food

Product lineup for all ages

Hypoallergenic products

Gluten-free and organic products

Long-life preserved foods

28-allergen-free rice flour bread/brown-rice bread

Plant-based foods (Meat analogues)

Rice-derived plant origin lactic acid bacteria

ECO-packages

Outcomes

Harmony with local communities

Provision of safe and reliable food

Creation of "barrier-free" foods

Contribution to enriched, healthy lives

Development of a rice-based food culture

Reduction of environmental impact from manufacturing

Contribution to a circular economy

Active participation of diverse human resources

Materiality

Creating new eating habits and health through "Better For You" foods

Environmentally friendly manufacturing

Sustainable procurement

Human capital management

Governance and diversity suited to KAMEDA SEIKA

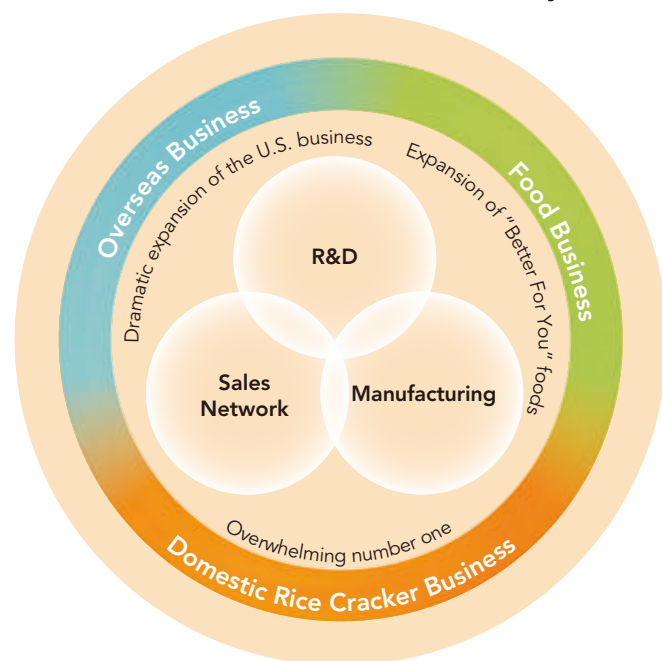
Harmony with local communities

Note: As of March 31, 2022

For more details, see "Identification of Materiality (Material Issues)" on page 18.

Mechanism for Creating Value: **Through evolution into a “Better For You” food company, we aim to deepen relationships of trust with our customers, and create both economic and social value.**

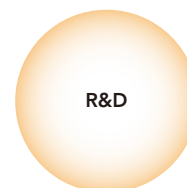
Direction of Growth Based on Three Core Businesses (Three Pillars): Business Model Analysis



A Distinctive Global Company

By further refining the three strengths it has cultivated since its founding—its R&D, manufacturing, and sales network—KAMEDA SEIKA will bolster the earnings base of the domestic rice cracker business and proactively invest the cash accumulated through these refinements in the overseas and food businesses, which it views as growth businesses, with the aim of sustainable growth.

The Company will firmly establish the direction of each of its three core businesses (three pillars): becoming the overwhelming number one in the domestic rice cracker business; dramatic expansion of the U.S. business in the overseas business; and expansion of “Better For You” foods in the food business. By balancing the sales of the domestic rice cracker business with those of the overseas and food businesses by FY2030, KAMEDA SEIKA will transform into a distinctive global company that is resilient to change.



Utilize the technologies and know-how cultivated through many years of research into rice to develop products from the perspective of health.
Establish highly competitive technologies and expand research areas into grains other than rice for full-scale development of the food business.

- Rice and rice cracker research, knowledge, and know-how
- Development of products originating from rice (Low protein cooked rice, plant origin lactic acid bacteria, Alpha Rice, rice flour bread and brown-rice bread)
- Rice processing technology (Seasoning, texture, blending, homogenization, etc.)
- Research of ingredients other than rice and development of products using these ingredients



Achieved mechanization and mass production of rice cracker manufacturing, which was formerly a cottage industry. Solidified our competitive advantage by leveraging our unique manufacturing technologies that utilize the know-how we have cultivated over 75 years since our founding as a rice cracker manufacturer.

- Ability to create products attuned to the times
- Mass production technology for rice crackers and an efficient production system for 12 main brands
- Safe, reliable and high-quality products
- High barriers to entry (complex and detailed manufacturing processes)
- Knowledge of rice, and application of rice cracker manufacturing technologies (Group synergy)



Established a domestic sales network at an early stage. Utilize our logistics subsidiaries to maintain a stable supply network. Provide rice crackers to customers worldwide by developing an overseas network.

- Support in various sales channels through Group companies
- Flexible supply system that uses Group logistics subsidiaries
- Cross-border network infrastructure outside Japan
- Partnerships in Japan and overseas

Identification of Materiality (Material Issues)

In FY2021, the KAMEDA SEIKA Group identified “key issues for sustainability” from the perspective of risks to its activities posed by the external environment.

In FY2022, we conducted a materiality assessment for overall management. The process involved identifying possible issues through in-house workshops and conducting an evaluation of the level of importance by inside and outside officers and external stakeholders. As the final step, the results of the materiality assessment were organized into six categories and 19 specific issues.

The Sustainability Promotion Task Force will take the lead in setting targets and KPIs, and then promoting initiatives.

Cooperating External Stakeholders

AEON Co., Ltd.
SEVEN-ELEVEN JAPAN CO., LTD.
J-OIL MILLS, INC.
Kikkoman Corporation
FUJI OIL CO., LTD.
Daishi Hokuetsu Financial Group, Inc.
Niigata University
Asset Management One Co., Ltd.
Sumitomo Mitsui DS Asset Management Company, Limited
Kamakura Investment Management Co., Ltd.
Naomi Yamazaki, Institutional Investors Collective Engagement Forum
Maki Morita, Consumer Affairs Consultant
Sustainable Restaurant Association Japan
Taro Tamura, Institute for Human Diversity Japan

Identification Process

Step
1

Identification of Issues through In-house Workshops

To identify possible issues to be included in materiality, we held workshops with 33 key persons, including heads of relevant Company divisions.

Focusing on medium- to long-term business risks and growth opportunities, participants at the workshops discussed social issues and initiatives that will be important over that timeframe from the perspective of maintaining and enhancing the Group’s uniqueness and competitive advantages.



Workshop held at the headquarters in Niigata Prefecture

Step
2

Sorting and Aggregation of Possible Materiality

After sorting and grouping the issues identified at the workshops with reference to the categories of “key issues for sustainability” specified in FY2021, we aggregated them into 47 possible materiality.

Step
3

Evaluation of Level of Importance by Officers and External Stakeholders

Having aggregated and compiled 47 possible materiality, we narrowed the list down to items that are important for the Group’s medium- to long-term growth. To evaluate their level of importance, we conducted a questionnaire survey of inside and outside officers and external stakeholders (see the list on the left).

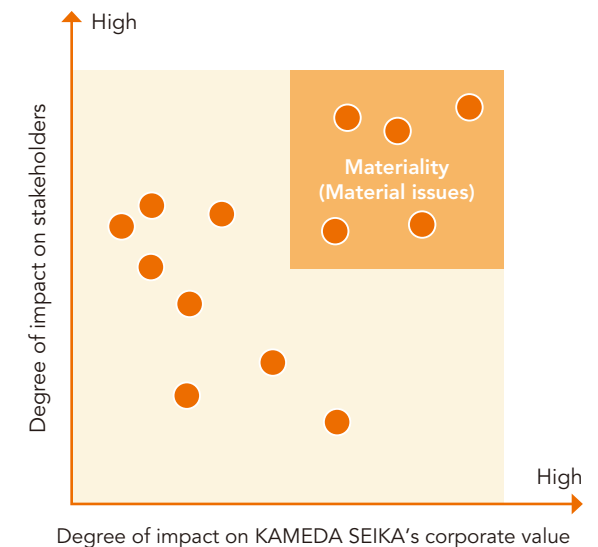
Evaluations were plotted in a graph on two axes: degree of impact on KAMEDA SEIKA’s corporate value (horizontal axis) and degree of impact on stakeholders (vertical axis).

Step
4

Management Team Review and Approval

After evaluating the importance of the items on the narrowed-down list of proposed materiality, their appropriateness was deliberated and approved at the Management Meeting, the results of which were reported at the Board of Directors meeting held in November 2022.

Evaluation of Importance Level



Materiality for the KAMEDA SEIKA Group

Category	Important Social/Environmental Issue to Be Addressed by the Group	Reason for Selection
Creating new eating habits and health through “Better For You” foods  <ul style="list-style-type: none"> ▶Pages 4-5 A History of Creating Value ▶Pages 6-9/10-13 Messages from the CEO and COO ▶Page 21 Special Feature: The Rice Research Center's Role in Expanding the Potential of Rice ▶Pages 26-33 Medium-term Business Plan/ Business Strategy 	Providing safe and reliable food	We believe that providing safe and reliable food is one of the most important responsibilities of a food manufacturer.
	Providing food that offers enjoyment, delight, health, deliciousness and excitement	The KAMEDA SEIKA Group's founding philosophy was based on the ambition to deliver enjoyment and delight to people's lives through food. By providing food that also offers health, deliciousness and excitement, we believe we can evolve toward our goal of becoming a “Better For You” food company.
	Developing a rice-based food culture	As a Group whose business originates from rice, we believe that contributing to the development of not just rice crackers but a rice-based food culture will enhance our presence and create corporate value.
	Addressing diverse food-related values	We believe that by addressing issues such as allergies, religious dietary restrictions and diverse food cultures around the world, we can achieve our goal of creating “barrier-free” foods that anyone can eat with peace of mind.
Environmentally friendly manufacturing  <ul style="list-style-type: none"> ▶Page 20 Aiming for Supply Chain Sustainability ▶Pages 35-36 Environment 	Reducing environmental impact of business activities	We recognize that minimizing the impact of our business activities on the global environment and contributing to the creation of a decarbonized and circular economy are important issues that we should prioritize.
	Conserving environmental resources	We believe that conservation activities such as efficiently using water and other environmental resources and preventing air pollution are essential for sustainable business activities.
	Reducing food loss	As a company that handles food, and while remembering to appreciate nature's blessings and producers, we recognize the importance of minimizing waste of raw materials and food in the supply chain from both business and environmental perspectives.
	Adapting to a plastic-free society	As a manufacturer of consumer goods, we recognize that reducing the amount of plastic we use is a key issue that should be addressed as a priority.
Sustainable procurement  <ul style="list-style-type: none"> ▶Page 20 Aiming for Supply Chain Sustainability ▶Page 41 Supply Chain Management 	Respecting human rights at suppliers	We believe that respecting the human rights of all people involved in the Group's business activities is a social responsibility we must fulfill.
	Achieving and enhancing stable procurement	As the emergence of geopolitical risks, climate change and other factors increase procurement risks, we recognize our mission as a manufacturer to control risks and deliver safe, reliable products to our customers.
	Addressing future food shortages	We believe that addressing changes in crop yields and the global shortage of protein-rich foods caused by climate change, demographic shifts and other factors is essential for sustainable business activities.
Human capital management  <ul style="list-style-type: none"> ▶Pages 6-9/10-13 Messages from the CEO and COO ▶Pages 37-41 Society ▶Page 38 Message from the Officer in Charge of Diversity 	Managing employees' physical and mental health	We believe that by ensuring that our employees are healthy both physically and mentally, we can maximize the potential of every employee, which will lead to improvement in our corporate value over the medium to long term.
	Diversity, equity and inclusion	We believe that mutual understanding and fair evaluation of different values, ways of thinking and diverse personalities will enable all employees to demonstrate their abilities and create a robust, competitive organization.
	Developing human resources who support the business foundation	We recognize that mechanisms and systems for developing the human resources we require are indispensable for strengthening our business foundation, and that maintaining them is an important management issue.
Governance suited to KAMEDA SEIKA  <ul style="list-style-type: none"> ▶Pages 42-43 Directors, Audit & Supervisory Board Members and Executive Officers ▶Pages 48-52 Corporate Governance ▶Pages 54-55 Risk Management 	Strengthening corporate governance	We believe that establishing and strengthening an effective corporate governance system is essential for achieving our ideal form of corporate management – sustainable development of the business and enhancement of corporate value.
	Conducting thorough risk management	To stabilize management, we recognize that it is necessary to identify risks that may have a critical impact on management, determine priorities and take countermeasures.
Harmony with local communities  <ul style="list-style-type: none"> ▶Page 41 Harmony with Local Communities 	Increasing local employment	As a company that originated in Niigata Prefecture and is expanding globally, we believe that mutual development with local communities will strengthen trust and create a virtuous cycle.
	Cooperating with local agriculture	We believe that by cooperating closely with local farmers, we will contribute to the development of the agricultural industry, improve supply chain management and reduce procurement risks.
	Proposing fun, delicious and healthy dietary education	We believe that proposing fun, delicious and healthy dietary education will help to improve our corporate value in various ways, including by establishing a food culture and making inroads among future buyers, as well as cultivating a sense of familiarity through a deeper understanding of the KAMEDA SEIKA Group.

Aiming for Supply Chain Sustainability: Creating Enjoyment, Delight, Health, Deliciousness and Excitement from Nature's Blessings

Nature's blessings

Potential of ingredients

R&D

Procurement

Manufacturing/Logistics

Sales/Consumption

Creating enjoyment, delight, health, deliciousness and excitement
Delivering enjoyment and delight to people's lives



Strengths

- Rice Research Center
- Functionality, production technology, sensory evaluation
- Rice processing technologies (seasoning, texture, blending, homogenization, etc.)
- Industry-academia-government collaboration

Initiatives for Sustainability

- Issue** Addressing diverse food-related values
- Measures**
- Development of "Better For You" foods
 - Enhanced new product development system
 - Research on the potential of rice, including plant origin lactic acid bacteria, rice proteins and rice peptides, etc.
- Issue** Development of a rice-based food culture
- Measures**
- Acceleration of global expansion
 - Expansion of business area with rice flour bread
 - Implementation of dietary education by holding on-site classes
- Issue** Addressing future food shortages
- Measures**
- Initiatives for plant-based foods (meat analogues)
 - Expansion of long-life preserved foods

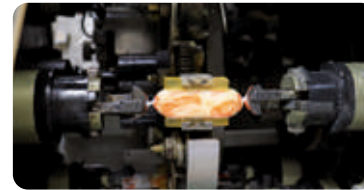


Strengths

- Group procurement of raw materials and other items
- Procurement management (written assurances of compliance with applicable raw material standards)
- Global procurement system
- Strong relationships with suppliers

Initiatives for Sustainability

- Issue** Respecting human rights at suppliers
- Measures**
- Compliance with procurement policy among business partners
 - Identification of human rights risks related to raw materials
 - Promotion of use of RSPO-certified palm oil
- Issue** Achieving and enhancing stable procurement
- Measures**
- Diversification of procurement sources
 - Identification of environmental risks in production areas
 - Establishment of good relationships with business partners



Strengths

- Mechanization and mass production of rice cracker making, which was formerly a cottage industry
- Manufacturing technologies that ensure safety, reliability and consistent deliciousness
- Thorough quality control (FSSC 22000)
- Logistics subsidiaries
- Global production system

Initiatives for Sustainability

- Issue** Reducing environmental impact from business activities
- Measures**
- Introduction of eco-friendly production equipment
 - Environmentally friendly logistics (modal shift, joint delivery, improved truck load factor, etc.)
 - Introduction of renewable energy at core plants
- Issue** Conservation of environmental resources
- Measures**
- Reduction of single-use plastics (promotion of a shift to ECO-packages)
 - Promotion of use of FSC-certified cardboard
 - Reduction of water consumption (introduction of dry milling technology)
- Issue** Reduction of food loss
- Measures**
- Extension of shelf life
 - Promotion of eco-feed activities
 - Effective utilization of food waste (provision as raw materials for roadbed materials, etc.)



Strengths

- Number one share of the domestic rice cracker market (35.2% in FY2021*)
- Support in various sales channels
- Efficient sales system
- Partnerships in Japan and overseas

* Source: SRI+® survey by INTAGE Inc.

Initiatives for Sustainability

- Issue** Providing safe and reliable food
- Measures**
- Obtain certification under the FSSC 22000 international standard for food safety management systems
 - Quality control system for both tangible and intangible aspects
 - Establishment of a customer service office (feedback system)
- Issue** Providing food that offers enjoyment, delight, health, deliciousness and excitement
- Measures**
- Expansion of a lineup of "Better For You" foods
 - Providing products in harmony with local culinary cultures
 - Proposing solutions to social issues through food
- Issue** Adapting to a plastic-free society
- Measures**
- Promotion of a shift to ECO-packages
 - Study of eco-friendly packaging materials

Special Feature: The Rice Research Center's Role in Expanding the Potential of Rice

What Is the Rice Research Center?

Since KAMEDA SEIKA first opened a laboratory in 1960, we have been conducting research on rice, the main ingredient of rice crackers. This has included establishing rice cracker manufacturing technologies and developing functional materials such as plant origin lactic acid bacteria. We will continue to pursue the potential of rice by engaging in industry-academia-government collaborations and conducting a variety of research on deliciousness, functionality, new materials, production technology and other topics.

By exploring the infinite possibilities of rice, we stay one step ahead of customer needs to create new value in food.

Three Research Teams Pursuing the Potential of Diversifying from Rice

The Rice Research Center specializes in three fields and conducts research and development on the deliciousness of rice and ways to further enhance its possibilities.



Research and Development of Functional Materials

The Rice Research Center is researching the functionality of rice-derived plant origin lactic acid bacteria K-1 and K-2, rice proteins and rice peptides. It is also pursuing further potential functionality for each of these research subjects through joint research with numerous universities including Niigata University, Kyoto University, the University of Tokyo and Shinshu University.

Highlight

Rice-Derived Plant Origin Lactic Acid Bacteria

K-1, which helps regulate intestinal action and has a skin moisturizing effect, and K-2, which has an antiallergic effect against atopic dermatitis and pollen allergies and an antiviral effect against influenza, were discovered through many years of research on rice. They are highly heat resistant because they have been inactivated, and can be incorporated into various foods, including applications in *ajiru** and nutritional supplements. We have also discovered that rice-derived plant origin lactic acid bacteria have the function of breaking down rice protein, and developed Yume Gohan, a low-protein cooked rice product with protein reduced from 1/5th to 1/35th the amount in regular rice.

* A juice made from a variety of green, leafy vegetables, consumed as a health food



Development of Products with Growth Potential

The Rice Research Center is collaborating with Group companies to develop products that will be future pillars of our business, such as rice flour bread and plant-based foods (meat analogues). Initiatives to improve safety, reliability and deliciousness and further expand our business include developing new rice flour bread products (new flavors and types) and plant-based food recipes for use in business proposals.

Highlight

Rice Flour Bread

As the number of people in Japan with food allergies grows year by year, the need for hypoallergenic products is increasing. Rice flour bread is also attracting attention as rising prices for imported wheat has led to demand for alternatives. TAINAI Co., Ltd. uses 100% domestic rice as the raw material for manufacturing rice flour bread in factories that are kept free of the 28 allergens specified by Japanese regulations, so that everyone can eat the same delicious products with peace of mind.



Research on Rice Cracker Manufacturing

The Rice Research Center is collaborating with the Production Division on research on ways to reduce the labor force through technological innovation as well as on analysis of rice crackers and rice. It also plays a role in ensuring safety, reliability and deliciousness as the Group expands overseas. Considerations include the suitability of local rice for manufacturing rice crackers and an analysis of capability to consistently produce high-quality products.

Highlight

Commitment to Safety, Reliability and Deliciousness

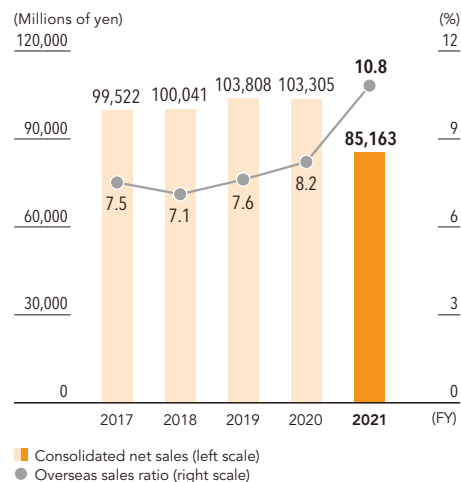
We have developed products based on the know-how and manufacturing technologies that we have cultivated through many years of research on rice crackers and rice. Top brands such as KAMEDA Kaki-no-Tane and Happy Turn have been repeatedly updated to meet customers' changing tastes. The Rice Research Center visualizes deliciousness through an analysis of texture as well as sweetness, saltiness, umami and other tastes for use as a basis for making decisions about brand renewals.

Creating new enjoyment, delight, health, deliciousness and excitement through research and development

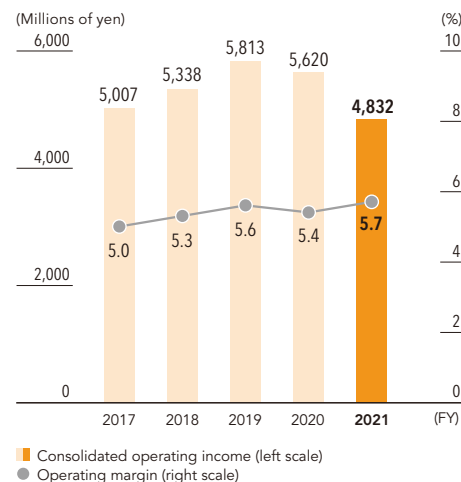
Financial Highlights

Note: From FY2021, figures are presented after applying the Accounting Standard for Revenue Recognition.

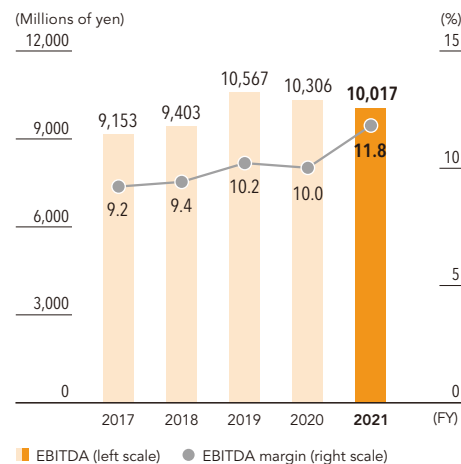
Consolidated Net Sales and Overseas Sales Ratio



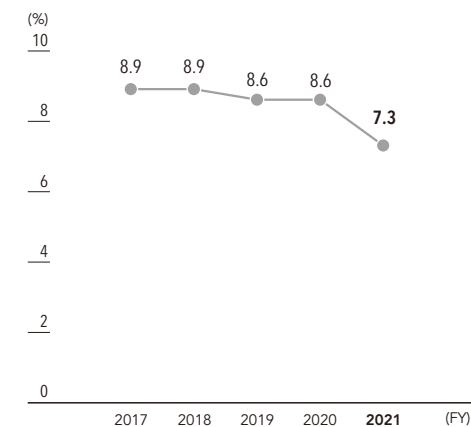
Consolidated Operating Income and Operating Margin



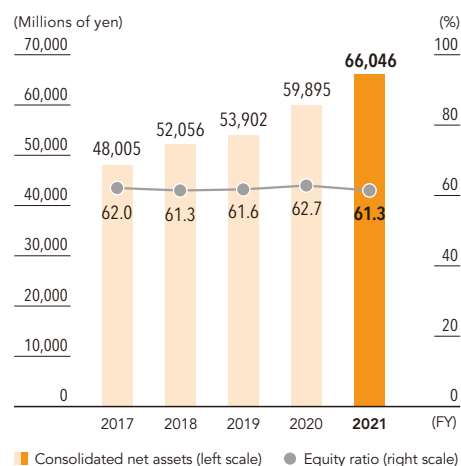
EBITDA and EBITDA Margin



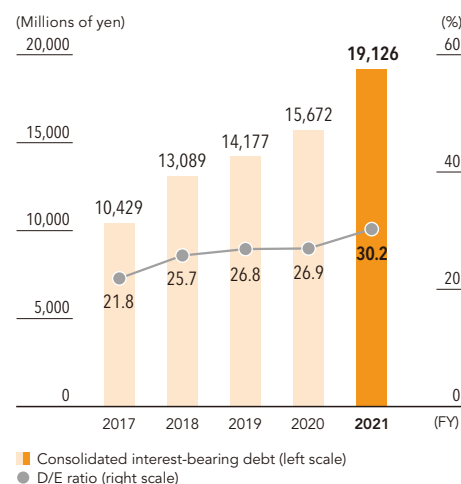
ROE



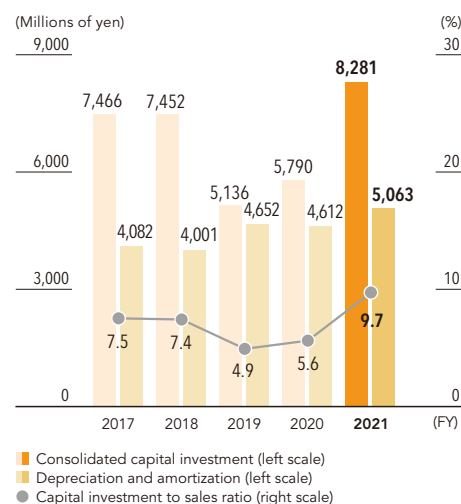
Consolidated Net Assets and Equity Ratio



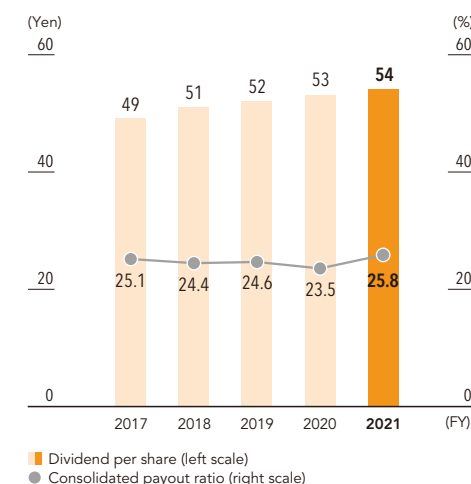
Consolidated Interest-Bearing Debt and D/E ratio



Consolidated Capital Investment, Depreciation and Amortization and Capital Investment to Sales Ratio

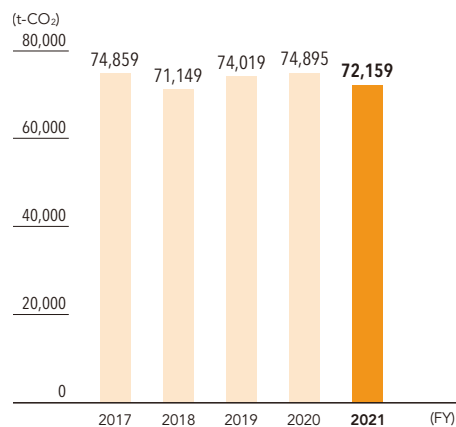


Dividend per Share and Consolidated Payout Ratio



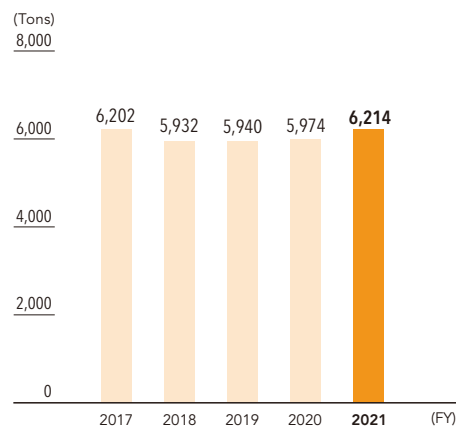
Non-Financial Highlights

Total Greenhouse Gas Emissions (Scope 1 and 2)



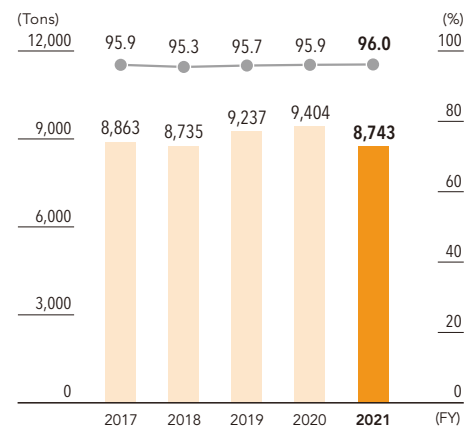
Scope: KAMEDA SEIKA CO., LTD., Ajicul Co., Ltd., Toyosu Co., Ltd. (Niigata Plant)

Amount of Plastic Used



Scope: Domestic Group plants

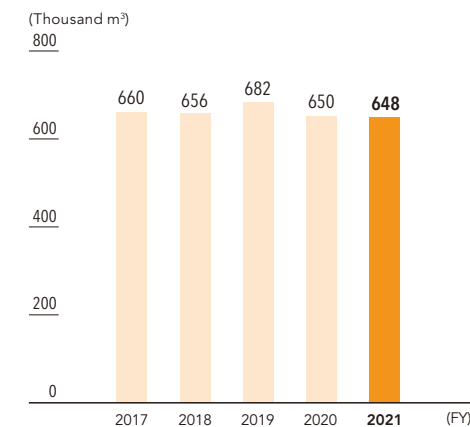
Waste Generated and Recycling Rate



Waste generated (left scale)
Recycling rate (right scale)

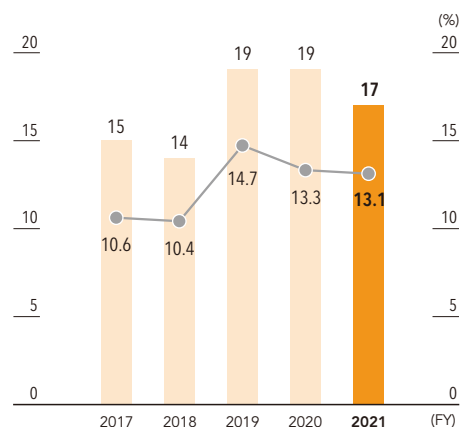
Scope: Domestic Group plants

Amount of Water Used



Scope: Domestic Group plants

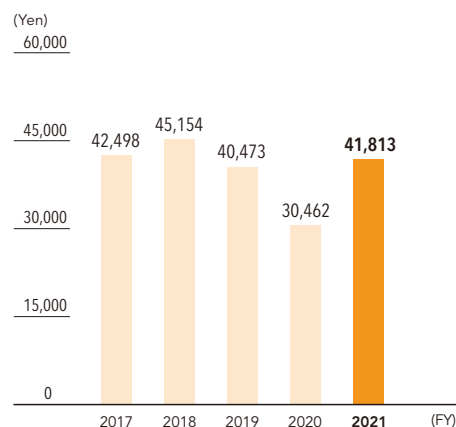
Number of Female Managers and Female Manager Ratio



Number of female managers (left scale)
Female manager ratio (right scale)

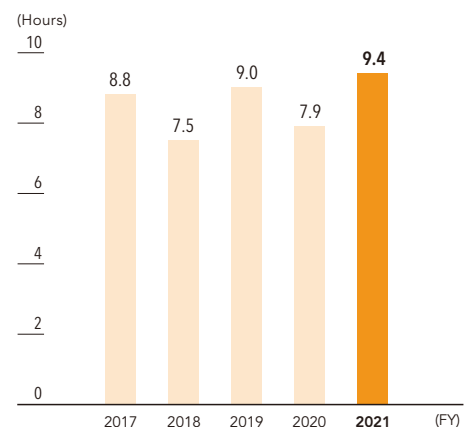
Scope: KAMEDA SEIKA CO., LTD.

Average Training Expenses per Employee



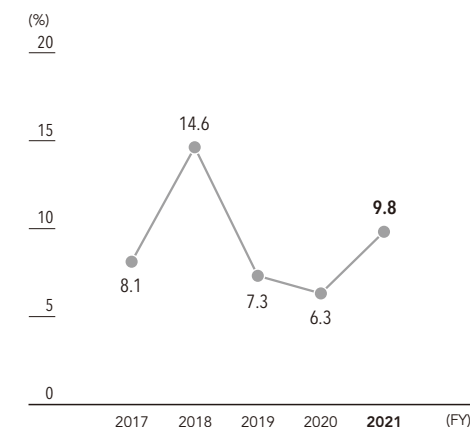
Scope: KAMEDA SEIKA CO., LTD.

Average Number of Overtime Hours per Month



Scope: KAMEDA SEIKA CO., LTD.

Turnover Rate of New Graduate Employees within Three Years of Hiring



Scope: KAMEDA SEIKA CO., LTD.

Message from the CFO

Akira Kobayashi

Senior Managing Director &
CFO, General Manager of
Administrative Division



Review of Results and Progress of the Medium-term Business Plan

The current business environment makes predicting the future more difficult than ever due to changes in consumption brought on by the prolonged COVID-19 pandemic, rising raw material prices, heightened geopolitical risks, and rising global inflation.

Regarding FY2021 performance, in the domestic rice cracker business, sales of products with future potential such as Tsumami Dane and Mugen Ebi increased steadily. We are confident in our future growth due to measures we implemented during the fiscal year, such as investments to increase production in response to strong demand.

However, the market landscape drastically changed when a competitor suspended their operations following a fire. Increased demand for alternatives to rice crackers has also had a pronounced impact on rice cracker manufacturers in general and us in particular. As a leading rice cracker company, we shifted to a system that prioritizes

supply and increased the number of production personnel throughout the Group to prevent customers moving away from rice crackers.

In order to secure supply capacity, we are building a strong and sustainable production system by reviewing our conventional system built on self-sufficiency and increasing production capacity while flexibly incorporating external production.

Rising costs led to a significant increase in the manufacturing cost ratio. FY2021 earnings were also impacted by structural issues in the domestic rice cracker business, including a labor shortage due to the COVID-19 pandemic and lack of production capacity to meet demand for alternative products.

In addition, we revised the specifications and prices of our main products during FY2021, but higher raw material and energy costs than initially expected negated any positive impact on earnings. Consolidated operating income decreased 14.0% compared with the previous fiscal year to ¥4.83 billion.

The profitability of our overseas business is steadily improving. At Mary's Gone Crackers, Inc. in the United States, the surge in demand driven by COVID-19 subsided, but this is not a cause for concern as the company is adjusting. Other factors that contributed to consolidated results included the positive effects of establishing Singha Kameda (Thailand) Co., Ltd. as a joint venture, the expansion of cross-border transactions, and the consolidation of highly profitable THIEN HA KAMEDA, JSC.

Progress of the Medium-term Business Plan

	Unit	FY2021 (Results)	FY2023 (Targets)
Consolidated net sales	(Millions of yen)	85,163	90,000
Consolidated operating income	(Millions of yen)	4,832	8,000
Operating margin	(%)	5.7	8.9
EBITDA	(Millions of yen)	10,017	13,900
EBITDA margin	(%)	11.8	15.4
ROE	(%)	7.3	9.4
Overseas sales ratio (including equity-method affiliates)	(%)	27.8	30.0

Note: Figures are presented after applying the Accounting Standard for Revenue Recognition.

In the food business, Onisi Foods Co., Ltd. has a lineup of long-life preserved foods and has continued to grow steadily, backed by increasing awareness of disaster preparedness. The food business is also addressing the rapid increase in inquiries for rice flour bread that is free of the 28 allergens specified by Japanese regulations by proceeding with preparations to relocate and consolidate production functions and increase production capacity.

We are making progress with our medium-term business plan. We expect to achieve our consolidated net sales target a year ahead of schedule, due in part to growth overseas and the results of our investment in expanding our business fields. However, consolidated operating income will remain at current levels as we have been unable to fully offset the impact of changes in the external environment, such as soaring raw material prices. We had originally anticipated a stable rise in profitability.

In the domestic rice cracker business, we need to address emerging issues such as production capacity constraints, labor shortages, and product competitiveness problems. We must create brand value from the perspective of customers to avoid the price wars of the past. We will make our Group growth scenario a reality by placing top priority on restoring the profitability of the domestic rice cracker business, and by accelerating the investment cycle for growth in the overseas and food businesses.

Improve Corporate Value by Optimizing Our Business Portfolio

While our operating environment is changing rapidly, our basic concept of establishing our three pillars of business and growing globally in terms of both scale (sales) and quality (earnings) remains unchanged. From a societal and corporate sustainability perspective, we must take a long-term view of ensuring the Group's competitive advantages and evolving its business model to change the way we generate earnings.

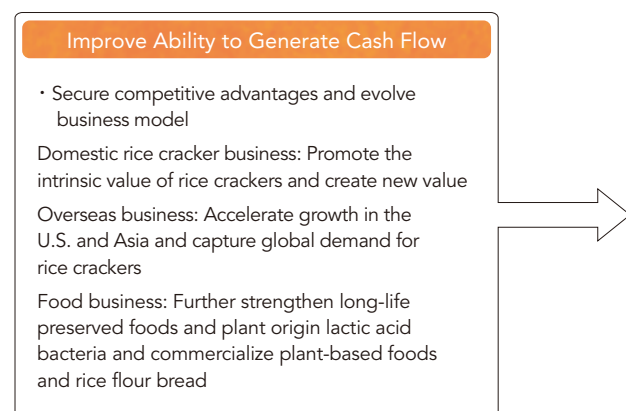
In the domestic rice cracker business, the key is to break away from the price wars of the past and build a production infrastructure that enables us to both promote the intrinsic value of rice crackers

and create new value. In addition to ensuring we maintain the safe and reliable production system required of a food manufacturer, we are consolidating production functions, increasing production capacity, and introducing new technologies from the perspective of strengthening cost competitiveness. Furthermore, in the overseas and food businesses, we will increase production capacity in line with business growth while focusing on long-term potential in ways such as exploring “Better For You” foods and entering new business fields.

We need to make decisions about these investments with a sense of urgency, given our changing operating environment. We have established a strategic investment portfolio in addition to our regular investment program, and are currently proceeding within this framework.

However, the timing of our use of cash for upfront investment in growth will require even more rigorous management of returns on each investment. We will keep economic rationality in mind as we monitor benchmarks for each investment, including payback period and internal rate of return. We will also make investment decisions after evaluating them from multiple perspectives, including their consistency with our business strategies and contribution to other businesses.

Approach to Allocating Cash Flow



We have made investments of varying sizes in the overseas and food businesses, mainly as upfront investments. These investments are in preparation for gradually developing our business areas and geographic regions. We are also using various deliberative bodies to monitor their progress.

In addition, our fundamental approach is to keep investments for each fiscal year within the scope of operating cash flow. We are currently allocating cash generated by the domestic rice cracker business to make growth investments in the overseas and food businesses, with the goal of expanding both our business fields and the countries and regions we serve.

We expect our immediate funding requirements to increase, but we will maintain sound finances with a D/E ratio of around 30%, excluding the effect of flexible investments for M&As. We will also select appropriate funding methods in line with the scale of the corresponding investment.

Financial Strategy

Improved profitability is the first priority of our medium-term business plan. We also want to secure sufficient funds in order to ensure stable dividends for our shareholders and emphasize our



reinvestment cycle as a growth company, so EBITDA is a key indicator for cash generation.

We are aiming for ROE of 10% or more going forward, but we have set a target of 9.4% for ROE during the current medium-term business plan, a figure that exceeds the cost of equity. We have set this target in order to achieve growth in profit as we prioritize growth investments.

From the standpoint of capital efficiency, we consider the cost of capital as the first stage of an investment decision. We intend to reduce the cost of capital through initiatives such as enhancing both our appropriate disclosure of information and IR activities, and by flexibly considering the use of debt predicated on sufficient projections of operating cash flow that can be used for debt redemption.

We also believe that a solid financial base is crucial for stable, continuous shareholder returns. Our finances will probably fluctuate somewhat in the near future due to M&As and other measures, but we will maintain our equity ratio and other indicators at conservative levels. We have also established multiple channels to ensure flexible access to funding despite changes that may occur in our operating environment. These channels include a ¥10 billion commitment line with financial institutions in Japan, and a ¥2.5 billion global commitment line for several overseas subsidiaries.

We plan to increase our capacity for growth by allocating generated cash flow in a way that prioritizes growth investments, investment in R&D, and human resource development to achieve our goals.

For shareholder returns, we intend to continue steadily increasing dividends based on presumed sustainable growth. Our current target is a payout ratio of 30%.

As CFO, I will continue to support the growth of the KAMEDA SEIKA Group from various perspectives while maintaining financial discipline. My goal is to enhance corporate value and meet the expectations of stakeholders by maximizing investment efficiency and optimizing resource allocation.

Medium-term Business Plan

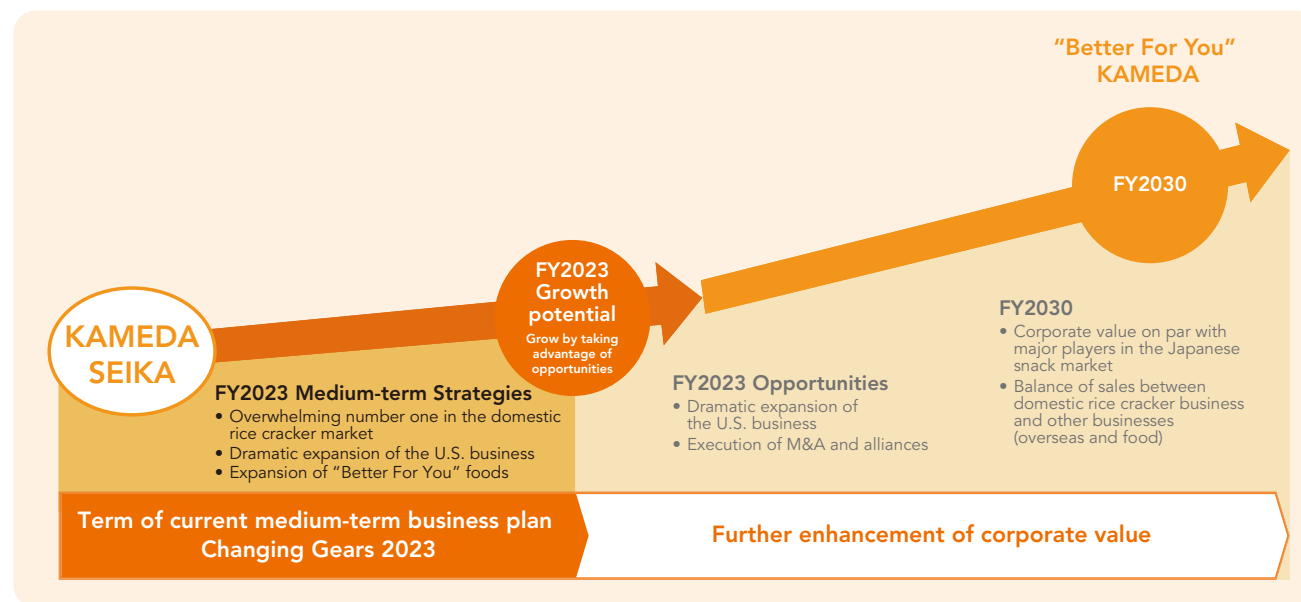
Overview of Medium-term Business Plan

The ongoing COVID-19 pandemic and the heightening of geopolitical risks are expected to lead to discontinuous changes in the KAMEDA SEIKA Group's operating environment. Meanwhile, rising customer awareness of health and the environment is changing the value we must provide as a food manufacturer.

The direction of the medium-term business plan, which was formulated by backcasting from our goal of becoming a "Global Food Company" by FY2030, is aligned with these changes in our operating environment. Going forward, we will need to adjust our trajectory to adapt to the times as we work to further deepen our efforts to achieve this goal.

To improve corporate value, the medium-term business plan sets forth our vision of establishing the three pillars of the domestic rice cracker, overseas and food businesses. To achieve this, we will promote dramatic growth in the overseas and food businesses while working for additional expansion in the domestic rice cracker business. Under the plan, we aim to evolve from a rice cracker and snack manufacturer into a "Better For You" food company by providing even greater customer value.

The Group specializes in processing rice, which offers infinite possibilities for addressing allergies. We can also apply the technologies we have developed to other grains to help resolve social issues. By doing so, we intend to improve our corporate value as an enterprise that contributes to a sustainable society.



Business Performance

	Unit	FY2020 (Results)	FY2021 (Results)	FY2022 (Plan)	FY2023 (Medium-term business plan)
Consolidated operating income	Millions of yen	5,620	4,832	5,000	8,000
Operating margin	%	5.4	5.7	5.4	8.9
EBITDA	Millions of yen	10,306	10,017	11,412	13,900
EBITDA margin	%	10.0	11.8	12.4	15.4
ROE	%	8.6	7.3	5.9	9.4
Overseas sales ratio (including equity-method affiliates)	%	26.1	27.8	30.0	30.0

Note: From FY2021, figures are presented after applying the Accounting Standard for Revenue Recognition.

Results

In the overseas and food businesses, which we have positioned as growth businesses, proactive investment is showing results as business scale expands. In the overseas business, we are establishing manufacturing and sales networks in our focal regions, and are nearing a period of transition from scale expansion into becoming a profit driver premised on growth. In the food business, building on our base in long-life preserved foods, plant origin lactic acid bacteria and other highly profitable categories, we continue to invest in fields with the potential to become our next growth areas, such as rice flour bread and plant-based foods as we work to establish a cycle of reinvestment for growth.

Issues

On the other hand, issues that must be resolved to achieve our goals persist and are becoming more significant, including the current geopolitical risks. The domestic rice cracker business is currently unable to meet the rapid increase in demand, or to resolve its chronic shortfall in product supply capacity. In addition, the recent surge in raw material and fuel prices and the depreciation of the yen have driven up the manufacturing cost ratio and reduced profitability. We have not yet been able to find a definitive solution, although we are changing product specifications, adjusting selling prices and improving productivity, among various other measures.

Business Strategy

Stand firmly on the three pillars of the domestic rice cracker, overseas and food businesses, and achieve our vision as a “Better For You” food company.

Domestic Rice Cracker Business

Overwhelming number one

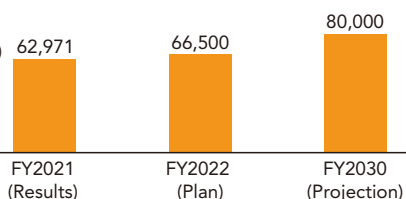
Overwhelming number one in market share

Achievement of a 45% manufacturing cost ratio

Development of products that include ingredients other than rice

Net Sales

(Millions of yen)



Measures for FY2023

Pursue Value

- We will change course to take on a value-oriented strategy and further solidify our position as number one in domestic rice crackers in terms of both scale and quality, with enhancements to the uniqueness of our brands and products that originate from our customers, thus avoiding price competition.

Pursue Efficiency

- We will ramp up production capacity to maximize and capture the growth potential of the rice cracker market. We will build an efficient and flexible production system through measures including using external production and downsizing the lineup to key products. We will also work to improve profitability by proactively utilizing new technologies and rolling out manufacturing know-how to other products.

Overseas Business

Dramatic expansion of the U.S. business

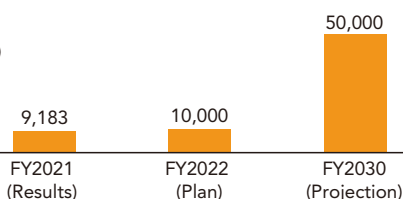
Establish MGC¹ and THF² brands in the U.S.

Take on the challenge of establishing rice crackers as snacks

Further strengthen the cross-border transactions of overseas business locations

Net Sales

(Millions of yen)



Note: Including equity-method affiliates

Measures for FY2023

Expand Business in the U.S.

- In the U.S., a top priority area, we will work to expand the product lineup to benefit from the growth of the “Better For You” market and establish our brands to improve profitability.

Expand Cross-border Transactions

- In the rapidly growing market of Asia, we will develop operations through stronger cooperation with partners, and further ramp up cross-border transactions by taking advantage of the cost competitiveness of each base in terms of factors such as ample labor force or high-quality rice for use as an ingredient.

1. Mary's Gone Crackers, Inc. 2. TH FOODS, INC.

Food Business

Expansion of “Better For You” foods

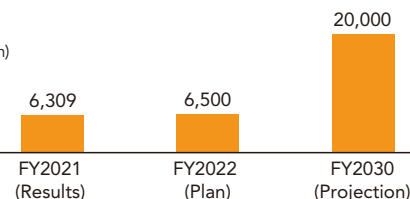
Expansion of plant-based foods

Increase range of hypoallergenic products and long-life preserved foods

Development of plant origin lactic acid bacteria business and new technologies

Net Sales

(Millions of yen)



Measures for FY2023

Cultivate Seeds and Innovate Technologies

- We will accelerate development and expansion of rice flour bread and plant-based food businesses acquired through M&As, with the aim of rapid commercialization. We will also enter new business fields by applying our successes in research on rice processing technologies and functionality (the Group's core competences) to ingredients originating from plants.

Ensure Stable Earnings through Differentiation

- We will work to further improve profitability by broadening the sales area for our highly profitable long-life preserved foods and plant origin lactic acid bacteria, and expanding our lineup of hypoallergenic products.

Countermeasures

As Japan's leading rice cracker company, we will renew our focus on ensuring quality, cost and delivery, which is fundamental for a manufacturer in light of sustainability. For product quality, we will work to improve added value by providing value for customers adapted to changes in the operating environment, in addition to ensuring safety and reliability. To establish a production system capable of responding flexibly to variations in demand, we will raise our supply capacity by focusing on production efficiencies in areas such as utilizing external production and streamlining SKUs.* By providing high-value-added products to customers in a timely manner, we will improve profitability and generate resources for reinvestment.

The overseas and food businesses are generally progressing in line with the medium-term business plan, due to acquisitions with the potential to fuel future growth, among other measures. On the other hand, there are limits to the growth we can achieve on our own, so we will accelerate the establishment of our three pillars with a view to more aggressive expansion through M&As and alliances for further growth.

Through cooperation among our businesses and bases in Japan and overseas with the aim of strengthening not just our products, but also our technologies, know-how, human resources and other aspects of our management foundation, we will demonstrate the comprehensive strength of the KAMEDA SEIKA Group.

* Stock-keeping unit. The smallest number of pieces of a product recorded for inventory management purposes.

Domestic Rice Cracker Business

Overview

The domestic rice cracker business has been the KAMEDA SEIKA Group's core business since its predecessor company was founded in 1946, and it has continued to identify customer needs to provide products in tune with the times with the ambition of delivering enjoyment and delight to customers. We were the first to industrialize rice cracker production, which had been a cottage industry, and have grown the business by building a nationwide distribution network and broadening our operations to serve a diverse range of retail outlets.

The Group expects further diversification of customer lifestyles and values. We will therefore leverage our robust management organization and the strengths of our diverse Group companies and product portfolio to create customer value and generate sustainable growth.

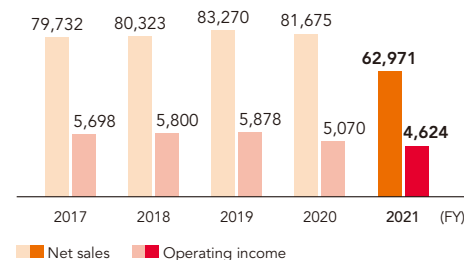


FY2021 in Review

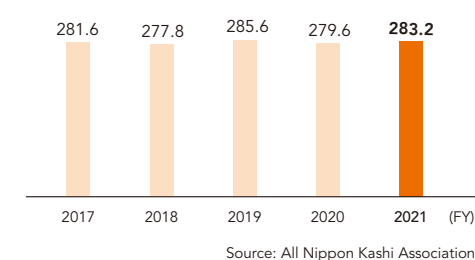
Sales and operating income at KAMEDA SEIKA decreased due to the absence of the stay-at-home demand that existed in the previous fiscal year and soaring raw material and energy costs. However, sales and operating income increased substantially at Ajicul Co., Ltd., which handles souvenirs, and Toyosu Co., Ltd., which handles products for department stores, demand for both of which had declined due to the COVID-19 pandemic, as they benefitted from the easing of restrictions on activities and efforts to build a more robust management organization undertaken in FY2020.

In addition, there was a risk of contraction of sales floor space for rice crackers due to the impact of a competitor's suspension of operations following a fire. However, the entire Group worked to maximize supply volume, and the market is now returning to normal. Although various costs continue to rise, we are taking measures to absorb them as we work to improve our product and brand equity by redefining the value we provide.

Net Sales and Operating Income
(Millions of yen)



Market Size
(Billions of yen)



Source: All Nippon Kashi Association

Note: From FY2021, figures are presented after applying the Accounting Standard for Revenue Recognition.

S Strengths

- Number one rice cracker market share in Japan (35.2%* in FY2021)
- Product development capabilities
- Brand equity
- Safety and reliability (quality assurance)
- Diverse, multichannel distribution

W Weaknesses

- Weak relationship with younger demographics
- Lack of flexibility in supply capabilities
- Large proportion of sales from main brands
- Large seasonal fluctuations

O Opportunities

- Diversification of eating habits
- Rising health consciousness
- Firm demand related to drinking at home

T Threats

- High raw material prices
- Pressure on prices from competitors
- Concerns about carbohydrates
- Contraction of customer base as Japan's population declines

* Source: SRI+® survey by INTAGE Inc.

The KAMEDA SEIKA Group's Strengths in the Domestic Rice Cracker Business

1 Product Development Capabilities to Benefit from Diversification of Eating Habits

To meet the changing needs and tastes of our customers, we have renewed existing products and developed new products based on trends, while in the process creating products and brands such as KAMEDA Kaki-no-Tane and Happy Turn that continue to be loved even as times change. We will continue to leverage the strengths of our products and brands as we innovate and take on challenges to further evolve the value we provide.

2 Number One Rice Cracker Market Share in Japan Coupled with Its Own Distribution Network

Rather than using incentives, we conduct proposal-based marketing that leverages digital technology including the use of social media and point-of-sale data as well as motion boards and sales force automation. We also collaborate at sales outlets based on building relationships with retailers through cross-merchandising.

"Better For You" in the Domestic Rice Cracker Business

We will provide timeless deliciousness, enjoyment and delight and create added value in response to changing times.

Yasuhiro Mayama

Managing Executive Officer,
General Manager of Sales Division



No matter how the times change, the KAMEDA SEIKA Group's unwavering mission is to provide products that deliver deliciousness, enjoyment and delight to customers. Rice crackers are enjoyed as a snack between meals, while studying or working, or when relaxing. As we continue to provide customers with this delicious and enjoyable treat, we will also create added value that is "Better For You" in terms of our customers' health and the global environment by innovating our manufacturing technologies and tirelessly developing products in tune with the changing times. By doing so, we will continue to deliver products that lead to even greater customer satisfaction and enjoyment.

Highlight

Two Kinds of Innovation to Enhance Our Uniqueness

For the Group to grow sustainably as the values and tastes of its customers become more diverse, we will pursue two kinds of innovation – upgrading and updating – to provide new value from a "Better For You" perspective to customers and enhance our uniqueness.

"Upgrading" means deepening and enhancing the value of existing products and brands by redefining the value of our products and brands through proactive communication with customers to flexibly incorporate changing tastes and trends. "Updating" refers to efforts to

create new value in rice crackers. This includes developing rice-based snacks and other products and offering high-value-added products to address rising health consciousness and other changes in customer values.

We will work to increase our market share by pursuing these two kinds of innovation to further refine our uniqueness and differentiate ourselves from competitors.

Overseas Business

Overview

We are leveraging the rice cracker manufacturing technologies and rice-related knowledge and know-how we have cultivated in the domestic rice cracker business and utilizing partnerships to conduct an overseas rollout of our rice-based food culture including rice crackers.

Demand is rising steadily, backed by global population growth and rising health consciousness. We will work to rapidly achieve profitability in this segment by generating additional growth in the U.S., as well as by increasing cross-border transactions and expanding sales in each country and region we serve.

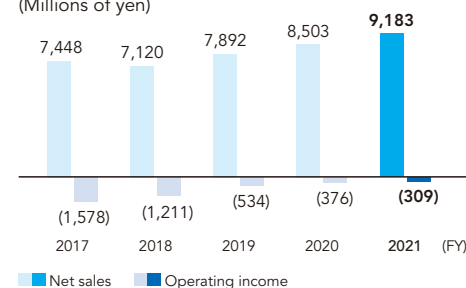


FY2021 in Review

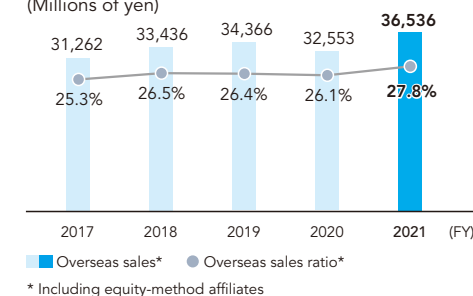
Sales and operating income at Mary's Gone Crackers, Inc. decreased due to the absence of especially strong demand during the pandemic in FY2020. However, overall segment sales increased and operating loss decreased due to substantial growth resulting from business expansion and a rollout of selling price increases at Singha Kameda (Thailand) Co., Ltd., which became a Group company in FY2020, and from making THIEN HA KAMEDA, JSC. a consolidated subsidiary in FY2021.

Mary's Gone Crackers, Inc. is working to achieve sustainable growth through measures including multiple new product launches aimed at further expanding its business and acquiring new customers.

Net Sales and Operating Income
(Millions of yen)



Overseas Sales and Overseas Sales Ratio*
(Millions of yen)



* Including equity-method affiliates

Note: From FY2021, figures are presented after applying the Accounting Standard for Revenue Recognition.

S Strengths

- Product development that uses research and knowledge from Japan
- Partnership with foreign-capital companies
- Reputation as Japan's number one rice cracker manufacturer
- Product portfolio
- Extensive overseas network

W Weaknesses

- Lack of knowledge about food outside Japan
- Insufficient marketing and product development personnel overseas

O Opportunities

- Rising health consciousness
- Growing appreciation of *washoku* (Japan's culinary culture)
- Global population growth

T Threats

- High raw material prices and tightening regulations for food
- Global supply chain disruptions and acceleration of local production for local consumption

The KAMEDA
SEIKA Group's
Strengths in
the Overseas
Business

1 An Extensive Overseas Network to Benefit from Global Population Growth

With locations in the U.S., China, Vietnam, India and other countries where the population and domestic demand are forecast to grow, as well as export hubs in Thailand and Cambodia, we have built an overseas network capable of reaching all areas where demand is expected.

2 Extensive Overseas Network Coupled with Partnerships with Foreign-capital Companies

In addition to the Company's overseas network, we have partnerships with foreign-capital companies that have powerful sales capabilities in Thailand, Cambodia, Vietnam, India, and other emerging markets. Collaboration with major global food manufacturers on product development and sales also enables us to expand into a wider range of regions and channels.

"Better For You" in the Overseas Business

We will match Japanese culture and technologies to the food cultures of each country and region we serve to deliver products that are more delicious, safer, more reliable and healthier.

Takeshi Fujii

Managing Executive Officer, General
Manager of Overseas Business Division



Health consciousness is on the rise and starting to underpin new values in both developed and emerging countries, especially among young people. There are growing needs for foods to be not just delicious but also safer, more reliable and healthier, and we are confident that the KAMEDA SEIKA Group's "Better For You" food products match these needs.

The Group's mission is to contribute to the greater enrichment of society by delivering enjoyment and delight to people's lives worldwide. Rather than selling the exact same products overseas that we sell in Japan, we will accelerate our overseas rollout by matching Japanese culture and technologies to the food cultures of each country and region we serve to deliver products that are more delicious, safer, more reliable and healthier.

Highlight

Initiatives for Business Expansion and Segment Profitability

Expansion of the overseas business is centered on achieving further growth in the U.S., strengthening local sales in Asia, and ramping up cross-border transactions. The gluten-free market in the United States continues to expand, and Mary's Gone Crackers, Inc. is working to increase its share by launching new high-value-added products such as cookies and plant-based cheese flavored crackers.

In addition, the rice cracker market has significant growth potential in other Asian countries. By strengthening local sales in countries where we have bases and ramping up cross-border transactions in countries where we do not, we will provide the elements of enjoyment, delight, health, deliciousness and excitement that are part of KAMEDA SEIKA products to markets around the world.

Food Business

Overview

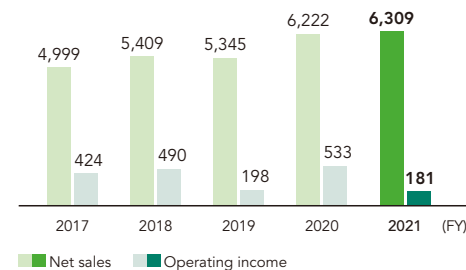
Our goal is to evolve from a rice cracker and snack manufacturer into a food company by FY2030. We are therefore expanding our operations into other food business domains besides rice crackers, such as long-life preserved foods, plant-based foods, rice flour bread and plant origin lactic acid bacteria to build the food business into our third pillar alongside the domestic rice cracker business and overseas business. Moreover, interest in the environmental impact of eating habits, customer awareness of disaster preparedness and health consciousness are steadily increasing. We will cultivate promising ventures that will contribute to improving corporate value and work to rapidly commercialize them by generating synergies within the Group.



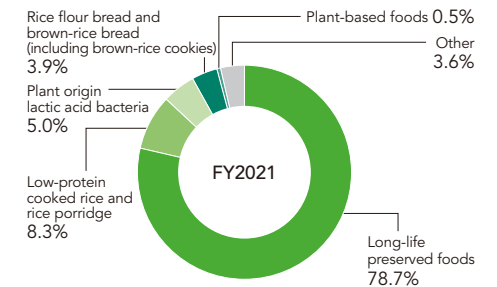
FY2021 in Review

At Onisi Foods Co., Ltd., a mainstay of the food business, in addition to continued demand among individuals for stockpiling long-life preserved foods, demand surged following an earthquake near the end of the fiscal year, resulting in an overall increase in sales but a decrease in operating income. In addition, we relocated and consolidated facilities and increased production capacity to meet increased demand for rice flour bread driven by soaring prices for imported wheat. We also worked to cultivate plant-based foods with growth potential, including developing and launching wet-type products to achieve business expansion.

Net Sales and Operating Income
(Millions of yen)



Proportion of Sales by Category



Note: From FY2021, figures are presented after applying the Accounting Standard for Revenue Recognition.

S Strengths

- Knowledge of rice and ingredients originating from plants
- Number one market share for emergency processed rice products
- Texture and seasoning technologies developed through rice cracker manufacturing
- Hypoallergenic products

W Weaknesses

- Competitiveness in raw material procurement
- Highly dependent on specific industries and customers

O Opportunities

- Increasing awareness of climate change
- Rising health consciousness
- Increasing interest in rice and rice flour
- Increasing food diversity
- Increase in the number of people with food allergies

T Threats

- Rapidly rising raw material prices
- Intensifying competition

The KAMEDA SEIKA Group's Strengths in the Food Business

① Hypoallergenic Products to Benefit from the Increase in the Number of People with Food Allergies

As the number of people in Japan with food allergies grows year by year, the need for hypoallergenic products is increasing. The KAMEDA SEIKA Group has been meeting that need by expanding its lineup of hypoallergenic food products, including HaiHain rice crackers for infants, Alpha Rice and rice cookies from Onisi Foods Co., Ltd. and the 28-allergen-free rice flour bread and brown-rice bread from TAINAI Co., Ltd.

② Knowledge of Rice and Ingredients Originating from Plants Coupled with Increasing Interest in Rice and Rice Flour

Soaring prices for imported wheat have led to greater interest in rice and rice flour, for which Japan has strong domestic production capabilities. As such, we continue to receive inquiries about the rice flour bread and brown-rice bread manufactured and sold by TAINAI Co., Ltd. Manufactured without gluten in a factory that is kept free of the 28 allergens subject to labeling under Japanese law, this bread is highly competitive and the market for it is expected to continue to grow. We are therefore working to expand our lineup and increase production capacity.

"Better For You" in the Food Business

We aim to expand "Better For You" foods that meet all kinds of needs with consideration for the global environment as well as create "barrier-free" foods.

Keiji Kanai

General Manager of Food Business Division



Eating habits are becoming more diverse and customer awareness of climate change and the environmental impact of those eating habits is steadily growing. We therefore believe that demand will increase further for our "Better For You" food products, which are made from plant ingredients with consideration for the global environment and people's health. We also aim to make food free of the "barriers" created by ingredients that prevent everyone – including people with allergies or those with religious dietary restrictions – from enjoying delicious food together with peace of mind.

Highlight

Initiatives to Expand Our Business Domain

Food needs are becoming increasingly diverse due to issues such as the global protein crisis caused by population growth and climate change, rising concerns about the environmental impact of livestock farming, and an increase in the number of people with food allergies.

We are utilizing the rice-related knowledge and know-how we have accumulated through our research and development in pursuit of deliciousness, added value and convenience. Our aim is not only to achieve sustainable growth in each of our businesses, but also to contribute to people's healthy lifestyles and the global environment.

Promoting Sustainability

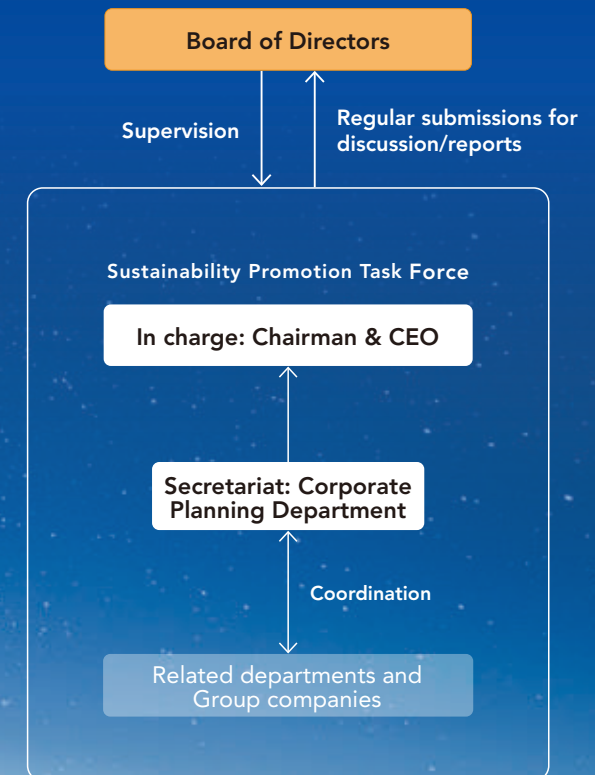
Basic Policy on Sustainability

The KAMEDA SEIKA Group will work for growth as it contributes to the realization of a sustainable society through its evolution into a “Better For You” food company, a concept that means contribution to a healthy lifestyle through the selection, eating and enjoyment of things that are delicious and good for the body.

The Group recognizes that initiatives for sustainability are a key management issue from the perspective of improving corporate value over the medium to long term.

Our sustainability initiatives are wide-ranging, and it is not always efficient to discuss, consider and supervise them all directly at Board of Directors meetings. To further promote such initiatives, we therefore inaugurated the Sustainability Promotion Task Force, based on the new Basic Policy on Sustainability that we formulated in 2021. The Chairman & CEO is in charge of the task force, which sets policies and detailed targets for the resolution of various issues related to sustainability, devises systems and specific execution methods for their implementation, and monitors the progress of measures being taken, among other activities. Details of the Sustainability Promotion Task Force’s activities are regularly submitted for discussion or reported to the Board of Directors. The task force will promote more objective and effective initiatives by incorporating stakeholder perspectives as necessary.

Sustainability Promotion Structure



Environment

Environmental Policy and Management

● KAMEDA SEIKA Group Environmental Policy

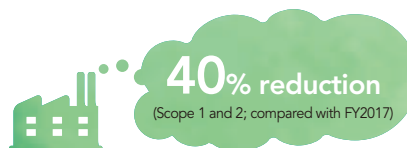
- ① Our mission is to deliver health, deliciousness and excitement to our customers.
- ② As a corporate citizen, we contribute to and exist in harmony with local communities through ecological activities.

● Environmental Management System

The KAMEDA SEIKA Group conducts environmental management in accordance with its Environmental Policy, mainly through the Sustainability Promotion Task Force and the EMS Secretariat. In addition, since December 2002 the Group has acquired ISO 14001 certification of its environmental management systems at the headquarters and R&D Center (Production Division, Facility Development Department) of KAMEDA SEIKA CO., LTD., the Kameda Plant, the Motomachi Plant, the Suibara Plant and the Shirone Plant. The Environmental Committee of each certified location meets on a monthly basis, and the EMS Secretariat hosts a monthly EMS Meeting attended by representatives of each location to formulate environmental targets and manage progress.

Response to Climate Change

Total Greenhouse Gas Emissions (FY2030 Target)



KAMEDA SEIKA has set a goal of reducing greenhouse gas emissions by 40% by FY2030 compared with FY2017. We are working to curb emissions in the manufacturing process as well as during transportation, including promoting a modal shift. In addition, we are drafting measures to calculate and reduce emissions throughout the supply chain.

● Reducing CO₂ Emissions and Energy Consumption

Specific measures have included the conversion of core machinery at all four Company plants in Niigata Prefecture from fuel oil A and liquefied petroleum (LP) gas to city gas. In August 2022, the Kameda Plant introduced 100% carbon-free Yorisou renewable energy supplied by Tohoku Electric Power Co., Ltd.

We are also working to reduce energy consumption in rice cracker manufacturing processes, including through an upgrade to baking equipment with high thermal efficiency and reuse of waste heat.



● Promotion of Modal Shift

We have been promoting a shift from truck to railway freight transport, which has lower CO₂ emissions, and are certified as an Eco-Rail Mark company. In FY2021, the modal shift rate was 29.8%. Subsidiary Niigata Yusou Co., Ltd. is also certified as an Eco-Rail Mark company.

Initiatives to Contribute to Establishing a Circular Economy

For the Group to conduct its business activities in a sustainable manner, it is essential to establish a circular economy that effectively uses limited resources and thus reduce its impact on the Earth. We will contribute to establishing such an economy by curbing the amount of waste generated in our business activities and by working to use resources efficiently.

Use of Sake Rice

Rice is one of nature's blessings, and one measure we employ to use it without waste is utilizing the rice flour left over from polishing rice for sake as a raw material in KAMEDA Kaki-no-Tane.

Use of Plastic

Awareness is growing worldwide about issues caused by single-use plastics, including the increase in marine plastic waste and the impact on the global environment from greenhouse gases generated during plastic incineration.

As a manufacturer of consumer goods, the Group recognizes that reducing the amount of plastic it uses is a key issue that should be addressed as a priority. We have set targets for FY2030 of switching to ECO-packages for all KAMEDA SEIKA products and reducing the amount of plastic we use by 30% compared with FY2017.

We will continue working to resolve issues through these initiatives and to drive change in the rice cracker industry as its leading company.

Food Waste and Final Landfill Waste

The Company conducts initiatives to reduce food loss in its manufacturing processes through eco-feed activities, in which rice cracker scraps are recycled as livestock and fish feed, and through donations of products to food banks. We are also working to reduce food loss at domestic and overseas Group companies. For example, subsidiary LYLY KAMEDA CO., LTD. provides food generated in the manufacturing process that would otherwise have been disposed of to ECOLOGGIE Inc. as feed for crickets.

Disclosure Based on the Task Force on Climate-related Financial Disclosures (TCFD) Framework

● Endorsement of TCFD Recommendations

In the medium-term business plan launched in FY2018, the KAMEDA SEIKA Group set the goal of strengthening initiatives toward sustainability and is working to achieve sustainable growth and enhance corporate value.

As a company that uses agricultural products as its main raw materials, we believe that responding appropriately to climate change is a task of the utmost priority, because it is likely to have a serious impact on our supply chain. In November 2021, the Company announced its endorsement of the TCFD recommendations and joined the TCFD Consortium, a forum for discussion among supporting companies and financial institutions.



● Governance

The Sustainability Promotion Task Force, which is headed by the Chairman & CEO, engages in sustainability initiatives including climate change issues based on the Basic Policy on Sustainability formulated in FY2021. The Sustainability Promotion Task Force sets policies and detailed targets for the resolution of various issues related to sustainability, devises systems and specific execution methods for their implementation, and monitors the progress of measures, among other activities.

Details of the Sustainability Promotion Task Force's activities are submitted regularly for discussion or reported to the Board of Directors so it can fulfill its role of overseeing the status of responses to key issues.

● Strategy (Scenario Analysis)

We have considered two world views of the future, a 4°C scenario and a 2°C scenario, covering the entire Group-wide value chain including procurement, production, and supply of products and services. We have examined the impact of climate change on the Group up to 2030, and identified risks and opportunities in each world view.

Rice is the Group's main raw material. According to the future projection parameters disclosed by external organizations, it is predicted that yield will increase and sales prices will decrease due to an increase in the concentration of CO₂ in the atmosphere. This will contribute to rice growth and an expansion of production areas as a result of higher temperatures. Based on this prediction, we have calculated estimates based on factors such as price projections, average yield trends and the consumption-production balance under each scenario. As a result, we have confirmed the possibility that purchasing costs could decrease.

In addition, we have confirmed the possibility that the Group's development of plant-based foods (meat analogues) and the promotion of a shift to ECO-packages are initiatives that have the potential to create business opportunities as product lines that meet the needs of customers, including for ethical consumption, in a world view where climate change is advancing.

Outlook of the Global Mean Yields of Rice (2020=1)

Classification	2030	2050
RCP2.6	1.07	1.08
RCP8.5	1.17	1.21

Source: National Agriculture and Food Research Organization (NARO), "Outlook of Global Mean Yields of Major Crops"

● Risk Management

The management of climate change-related risks is integrated into the Company-wide risk management system, and is led by the Risk Management Committee. In principle, the committee meets at least once each quarter, and reports to the Board of Directors on the content of its deliberations and the progress of discussions as part of its efforts to control and manage overall risk management.

Key Impacts on the Group under Each Scenario

Classification	Risk	Impact on Business	Degree of Impact	
			4°C	2°C
Transitional Risks	Introduction of carbon pricing	Operating and raw material costs will increase with the introduction of carbon taxes and emission rights trading	Low	High
	Increase in electricity prices	Electricity costs will rise with the shift to renewable energy generation	Low	Medium
	Increase in packaging costs	Cost of petroleum-based plastic packaging materials will increase due to higher fossil fuel prices and the enforcement of plastic use regulations	Medium	Medium
	Changes in customer preferences	Increased consumer awareness, including ethical consumption, will affect the demand for conventional products	Medium	High
Physical Risks	More severe extreme weather events	Losses and costs to respond will be incurred due to direct damage and disruption of logistics networks caused by typhoons and torrential rains	High	High
	Rising temperatures and changing weather patterns	Quantity and cost of procurement will be affected, including a decline in the quality of the Group's main raw materials such as rice and peanuts	High	Medium

● Indicators and Targets

In order to assess and manage the impact of climate change issues on management, we use total greenhouse gas (CO₂) emissions as a metric, and have set the target of reducing total greenhouse gas (CO₂) emissions by 40% by FY2030 (compared with FY2017).

As a manufacturer of consumer goods, we recognize that the Group-wide reduction of the amount of plastic used is a key issue that should be addressed as a priority, in addition to reducing Scope 3 greenhouse gas emissions. We are working to reduce the amount of plastic we use by eliminating plastic trays from our products and switching to slimmer ECO-packages. By FY2030, we intend to switch to ECO-packages for all KAMEDA SEIKA products, with the aim of reducing the amount of plastic we use by 30% (compared with FY2017).



Initiatives for TCFD Recommendations

<https://contents.xj-storage.jp/xcontents/AS01309/fe24a744/a5ff/4683/8a16/70ee3afecb07/20220621172928555s.pdf>



Society

Basic Approach

The KAMEDA SEIKA Group has set forth a basic personnel policy of “increasing the sense of active participation and growth among all employees.”

We expect all employees to play an active part and to feel their growth day by day as they help create a better world together with the Company.

Enhancing the Skills of Our Human Resources

● Enhancing the Skills of Our Human Resources

The KAMEDA SEIKA Group aims to increase its corporate value as a distinctive global company by establishing the three pillars of the domestic rice cracker business, the overseas business and the food business. We believe that human resources (employees) who can resolutely take on new challenges with a high-level perspective, the ability to get things done, and resourcefulness, are indispensable for achieving this aim. We enhance resourcefulness through rank-based training tailored to growth, hone professional skills through practice and training, and elevate perspectives through selective training. We also establish programs to reinforce a spirit of challenge and assist in independent learning to support the growth of all employees.

High-level perspective

Ability to see things from a management perspective

- Ability to develop medium- to long-term management strategies and boldly take on challenges to contribute to achieving company targets
- Ability to contribute to the development of the next generation of management candidates
- Has basic knowledge of corporate management (management strategy, finance, accounting, legal affairs, etc.)

Ability to get things done

Has leadership skills and ability to produce results

- Ability to motivate an organization and a sense of responsibility and drive to see things through to the end
- Ability to boldly take risks and act with a sense of urgency
- Has the necessary capabilities as well as a wealth of knowledge, experience, expertise and achievements in one's field

Resourcefulness

Ability to be a positive influence on others and be respected and admired

- Ability to work hard for the benefit of others
- Considerate of others and ability to do what is required
- Introspective and always striving to be better
- Enjoys one's work

1. Rank-based Training

Before entering the Company, new university graduate hires engage in e-learning to acquire the basics as working adults. After entering the Company, they learn the basics of their work, including business etiquette, roles in the Company, working procedures and training at production sites. After new employees are assigned to a department, senior employees offer guidance through the Big Brother/Big Sister system, and we provide support for second- and third-year employees to look back and develop skills they will need going forward. Thereafter, we conduct training according to rank to cultivate management skills and resourcefulness others can rely on.

2. Professional Skill Improvement Training

We improve professional skills through on-the-job training, external lectures and external training, and increase the ability to get things done and improve problem solving. We also opened a technical school to cultivate the leaders who will drive KAMEDA SEIKA's manufacturing. Employees learn through classes and hands-on training on site and in the laboratory to acquire a wide range of theoretical and practical skills related to rice cracker production and manufacturing.

3. Selective Training

The KAMEDA Challenge Program is designed so that participants learn the wide-ranging knowledge and problem-solving methods necessary for management, and gain the high-level perspective, ability to get things done and resourcefulness necessary for future managers. In addition, by actively utilizing external training for more advanced knowledge and enhanced problem-solving techniques and team building capabilities, we create opportunities for participants to be inspired through exchanges with people outside the Company and in different industries, thus supporting their growth.

4. Learning Support (Self-development System)

We have established the KAMEDA Challenge Plan system to boost motivation and opportunities for growth through self-study by providing support for employee self-actualization including support for acquisition of qualifications, incentives to take the TOEIC or Nikkei Test, subsidies for correspondence courses and book purchases, and support for language courses.

5. Career Development

We offer training for employees to think about their careers and lay out their vision for the future, and in-house internships to learn about other departments for application to their own careers. We have established an in-house recruiting system and a short-term overseas dispatch (overseas trainee) system to facilitate practical career development that goes beyond training.

Message from the Officer in Charge of Diversity

We are committed to fostering an organizational culture that makes the most of diversity.

Naoko Koizumi
Managing Director



Promoting the Demonstration of Diverse Personalities and Abilities

KAMEDA SEIKA declared 2019 to be “diversity year one” of creating an environment in which its diverse human resources could demonstrate their full potential, and in doing so vitalize the Company’s development and growth. Our basic stance is to embrace diversity as we work for sustainable growth and help make the lives of our employees more prosperous and enjoyable; in effect encouraging them to demonstrate different values and approaches, as well as their diverse personalities and abilities.

We have been proactively incorporating external ideas through efforts including appointing a majority of outside directors to the Board of Directors and recruiting a high percentage of mid-career employees. However, as of 2019 the number of employees familiar with the concept of diversity was still low, so we believed that there was an urgent need to further foster a culture of diversity and raise employee awareness.

In this context, we have been working to promote understanding of diversity through initiatives including the introduction of training and study sessions, greater coordination with Group companies, and the establishment of a Diversity Promotion Task Force that recruits volunteers from each division, as well as the use of internal media to share these initiatives. As an initiative unique to KAMEDA SEIKA, we hold role model-led networking meetings in which we invite an executive or manager from another company to give a lecture. These meetings cover different themes depending on the target group of attendees, which can range from all employees to female employees, Production Division staff or other groups.

Diversity, equity and inclusion is part of KAMEDA SEIKA’s materiality. In our rapidly changing operating environment, flexible thinking and different values are essential in responding to diversifying customer lifestyles and preferences.

As a food manufacturer, it is important for us to promote diversity not only in product development, but also from the perspective of providing safe and reliable products. If we choose the safe option, or follow the crowd, we won’t be able to come up with innovative ideas and products. Even at production sites, a situation in which people refrain from speaking up – not wanting to be the only person to say something or believing they just worry too much – could lead to an industrial accident, product quality problems or some other unforeseen incident. Creating an environment in which people can see things from a variety of perspectives and angles, and speak up when they feel something is wrong, also contributes to risk management.

Creating a Culture That Makes the Most Out of People as Individuals

My goal in promoting diversity is to create an organizational culture in which all KAMEDA SEIKA Group employees can work in their own way, unafraid to express their own ideas. If employees cannot be themselves, they can neither demonstrate their full potential nor respond to changing times. Even if their individuality makes them feel like they are in the minority, I want them to be able to pick up on contemporary trends and be the kind of person needed in these times, rather than conforming to the company or organization.

Our human resources support the foundation of our business. Understanding each employee’s personality and aspirations and helping them realize their career plans will make us a tenacious and competitive organization, which in turn will result in the sustainable growth of the KAMEDA SEIKA Group.

As the officer in charge of diversity, I will demonstrate my leadership and enhance initiatives to create an environment where we make use of every aspect of diversity – not just social attributes, such as gender, but also values, core beliefs and other qualities that are not visible but are important for getting the most out of people as individuals.

Diversity, Equity and Inclusion

To carry out our Mission to contribute to the greater enrichment of society by delivering enjoyment and delight to people's lives, we are working to create an environment where diverse human resources can demonstrate their abilities.

Initiatives to Promote the Advancement of Women

We believe that the values and ideas of women are important for expanding our business domain from the rice cracker and snacks industry into the food industry, and we aim to increase our ratio of female managers and supervisors. We have received the "Eruboshi" Grade 2 certification from the Minister of Health, Labour and Welfare as a company that promotes women's participation and advancement in the workplace and the "Kurumin" certification as a company that supports child rearing.



Numerical Targets and Specific Measures

Numerical Targets

Ratio of Female Managers

30% (FY2030)

Ratio of Female Supervisors

30% (FY2030)

Specific Measures

To develop our human resources, we conduct training through interchange with women in other industries, in-house training for women to become actively involved in planning their careers, role model-led networking meetings with women from other companies and other activities. To improve the working environment, we are studying a telework system, offering work styles with limited shifts, and encouraging men to take childcare leave to support a balance between career and life events.

Initiatives for the Advancement of Foreign-National Employees

The Group is expanding its business overseas with the aim of becoming a "Global Food Company." To accelerate our business development, we have increased the number of foreign-national employees to 12 from 6 in 2015, and we are continuing to secure suitable human resources. As a global company, we also communicate proactively with local employees overseas.

Specific Measures

To develop our human resources, we send employees overseas for training (including to Japan from other countries) and conduct in-house English training, among other programs. Our Global Integration Promotion Task Force, which brings together members from each department, is promoting global joint meetings in which all overseas Group companies participate, as well as projects in which the sales, production and technology departments of overseas Group companies exchange information and engage in discussions.

Employment of People with Disabilities and Seniors

We appropriately deploy people with disabilities and senior human resources over the age of 60 to make them a vital force in our corporate growth.

Employment Rate for People with Disabilities (FY2021)

2.30%

Employment Rate for Seniors (FY2021)

Post-retirement reemployment rate **98.1%**

Work Style Reform and Support for Work-Life Balance

We are working to create an environment that harmonizes work and life so that employees can feel satisfaction and fulfillment in their work and lead healthy and prosperous lives.

Specific Measures

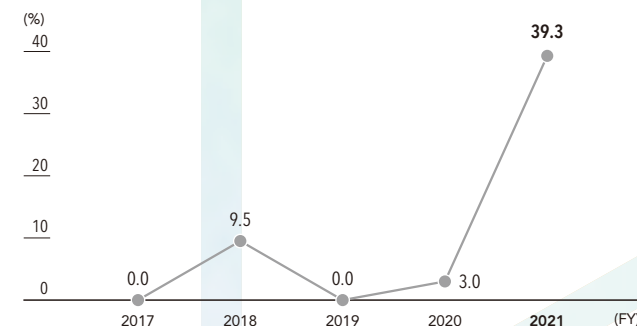
1. Happy Return System

We have introduced the Happy Return System for people returning to work after leaving, which supports diverse work styles. It gives employees who have left due to reasons including marriage, pregnancy, childbirth, childcare, nursing care, personal injury or illness, or the transfer of a spouse, the opportunity to return.

2. HaiHain Leave System

We have introduced the HaiHain Leave System to give male employees whose spouses have given birth three days of paid leave for childcare, in addition to their paid annual leave. The leave can be used to care for children, bring the spouse home from the hospital or attend medical examinations.

Ratio of Male Employees Taking Childcare Leave



Respect for Human Rights

We believe that respecting the human rights of all people involved in the Group's business activities is a social responsibility we must fulfill as a corporation, as set forth below in our Code of Conduct. In our aim to become a "Global Food Company," we will work to consider human rights throughout the supply chain based on internationally recognized standards.

Code of Conduct

4. We respect human rights and do not discriminate or engage in sexual or power harassment.

Code of Conduct Bylaws

4-1 Respect for Basic Human Rights

We respect basic human rights, and do not discriminate against anyone because of gender, age, nationality, race, ethnicity, ideas, beliefs, religion, educational background, or physical or mental disability, etc.

● Employer Guidelines for Harassment Prevention

Harassment in the workplace is a socially unacceptable act that harms the dignity of individuals, regardless of gender, and prevents workers from fully displaying their abilities. It is absolutely prohibited. It also leads to impediments to workplace discipline and operations, and is a problem with a negative impact on society.

Negative speech or behavior related to pregnancy, childbirth, childcare leave, nursing care leave or similar issues can be the cause of or context for harassment related to such matters, and speech or behavior based on perceptions of gender division of labor can be the cause of or context for sexual harassment. By reviewing our usual behavior from the standpoint of others, we work to create a sound and comfortable working environment free of harassment.

Quality and Product Safety

The Group considers it to be its mission as a food company to ensure safety at all stages from raw material procurement to consumption in order to deliver safe and reliable products to customers, and has established policies for quality and product safety. We are developing a quality assurance framework to ensure that we can deliver consistent deliciousness, and are working to further improve quality and safety.

● Quality Policy/Product Safety Policy

- ① Taking the point of view of our customers, we provide products that meet the legal and regulatory requirements for food supply chains from raw material procurement to consumption.
- ② To deliver safe and reliable products to our customers, we are developing a quality assurance framework by applying international standards such as FSSC 22000.
- ③ To be able to provide products that our customers can enjoy safely and with peace of mind, we work to improve quality in cooperation with the quality assurance departments of each Group company.
- ④ By communicating with our customers about the safety of our products and making improvements based on their feedback, we will increase customer satisfaction.

● Quality Assurance System/Measures to Ensure Traceability

We obtain documentation of raw material specifications for all products and raw materials we purchase. These documents specify the usage records of agricultural products, including the production area and any pesticides or antibiotics used, and the raw materials, additives and contaminants from the manufacturing process for processed products. In addition, we conduct our own inspection and analysis both in-house and externally. For rice used as a raw material, its place of origin is labeled on the back of the

applicable product, based on the Ministry of Agriculture, Forestry and Fisheries' Traceability System for Rice/Rice Products.

The KAMEDA SEIKA Group is working to enhance its quality assurance system, mainly through the Quality Assurance Committee, based on the KAMEDA SEIKA Group Quality Assurance Management Regulations. The committee meets at least once each quarter, in principle, to deliberate on basic quality assurance policies, raise issues for ensuring quality and safety, and to verify the effectiveness of improvement measures. To enhance the quality assurance systems at Group companies, we hold a meeting of quality assurance staff from Group companies to understand issues at other companies and consider countermeasures.

As an additional initiative to improve our food safety management system, we are working to obtain FSSC 22000 certification, the international standard for food safety management systems, at each Group plant.

● Occupational Health and Safety Initiatives

We recognize that ensuring a work environment where employees can work safely and with peace of mind is a corporate responsibility we must fulfill.

We have established health and safety committees at each of our business sites, and work for thorough implementation of our health and safety management plan by focusing on the three areas of safety, health and traffic safety.

Accident Severity Rate

FY	
2021	0.00
2020	0.04
2019	0.01
2018	0.07
2017	0.01

Supply Chain Management

To deliver safe and reliable products to customers, the KAMEDA SEIKA Group has established a Procurement Policy and a Code of Conduct to implement the Procurement Policy, and is promoting measures throughout the supply chain by collaborating with suppliers through the dissemination of the Procurement Policy.

● Procurement Policy

To realize the value of “Contribution to a healthy lifestyle through the selection, eating and enjoyment of things that are delicious and good for the body,” which we provide by being “Better For You,” we build relationships of mutual trust with our suppliers to deliver safe and reliable products and to procure raw materials and services that are friendly to the environment and to society.

● Code of Conduct to Implement the Procurement Policy

- ① We will conduct stable and continuous procurement of safe and reliable, high-quality raw materials to deliver health, deliciousness and excitement to our customers.
- ② To preserve the global environment, we will proactively work to use environmentally friendly materials, save energy and reduce greenhouse gas emissions.
- ③ We will comply with laws, regulations and rules, and conduct fair procurement in accordance with social common sense.
- ④ We will respect human rights and diversity, and promote procurement with consideration for improving working conditions, safety and health.
- ⑤ We will provide our suppliers with fair, impartial and transparent access to the market, and build long-term relationships of trust while working for mutual prosperity and continuity through good faith transactions based on contracts.
- ⑥ Together with our suppliers, we will help to realize a sustainable society by working for coexistence and harmony with local communities.

- ⑦ By conducting CSR surveys and audits of our suppliers, we will confirm the status of our efforts to ensure sustainability and strive to fulfill our mutual social responsibilities toward the realization of a sustainable society.

● Initiatives for Sustainable Procurement

Use of RSPO-certified Palm Oil

The Group joined the Roundtable on Sustainable Palm Oil (RSPO) in March 2019. KAMEDA SEIKA CO., LTD., Onisi Foods Co., Ltd. and Mary's Gone Crackers, Inc. have been using certified palm oil since FY2020. In FY2021, the ratio of certified palm oil used was 14.2%.

Use of FSC-certified Cardboard

We have switched to FSC-certified cardboard for use in all KAMEDA SEIKA products, and will also gradually do so at Group companies.

Procurement of Peanuts

For procurement of peanuts, in 2019 we opened a development center in Weihai, China, and have established a quality control system with thorough pre-shipment inspections. In addition, before the start of the COVID-19 pandemic, we checked directly with producers every two months to ensure that there was no child labor or low-wage labor, and confirmed that there were no problems.

Harmony with Local Communities

● Initiatives for Coexistence with Society

We conduct dietary education and other initiatives for coexistence with society based on our belief that revitalizing local communities through activities that make the most of our businesses and cooperation with local governments and community organizations leads to improvement of the business environment.

● Initiatives for Dietary Education

Our Kameda, Suibara and Shirone plants conduct tours for neighborhood elementary school students and we have been offering classroom lessons at elementary and junior high schools. During the COVID-19 pandemic, we conducted online plant tours using a web conferencing system.

We also visit kindergartens and nursery schools to conduct activities that convey the appeal of rice and rice crackers through quizzes and other methods.

● Initiatives for Achieving the SDGs

KAMEDA SEIKA participates in the SDGs Niigata Regional Revitalization Platform, which promotes corporate activities and regional development based on the SDGs. In addition, subsidiaries Maisen Co., Ltd. and Maisen Fine Foods Co., Ltd. have formulated the “Maisen SDGs” and are registered as Fukui SDGs Partner in Fukui Prefecture and in the Sabae SDGs Glocal Club in Sabae City.



Directors, Audit & Supervisory Board Members and Executive Officers (As of November 30, 2022)

Directors



Lekh Raj Juneja
Chairman & CEO

Sep. 1989 Joined Taiyo Kagaku Co., Ltd.
Jun. 1996 Director and Head of Research Department of Taiyo Kagaku Co., Ltd.
Jun. 2000 Managing Director of Taiyo Kagaku Co., Ltd.
Jun. 2003 Executive Vice President of Taiyo Kagaku Co., Ltd.
Apr. 2014 Joined Rohto Pharmaceutical Co., Ltd.
Jun. 2014 Executive Vice President, Global Head of International Business and Research & Development and Chief Health Officer of Rohto Pharmaceutical Co., Ltd.
Jun. 2020 Joined the Company
Executive Vice President of the Company
Jun. 2022 Chairman & CEO of the Company (current position)



Masanori Takagi
President & COO

Apr. 1990 Joined the Company
Nov. 2014 Head of Shirone Plant of the Company
Jun. 2017 General Manager of General Affairs Department of the Company
Jun. 2018 Executive Officer, General Manager of General Affairs Department of the Company
Apr. 2020 Executive Officer, General Manager of Business Restructuring Team of the Company
Jul. 2021 Managing Executive Officer, General Manager of Sales Division of the Company
Jun. 2022 President & COO of the Company (current position)



Akira Kobayashi
Senior Managing Director & CFO, General Manager of Administrative Division

Mar. 1984 Joined the Company
Jul. 2013 Executive Officer, General Manager of Corporate Planning Department of the Company
Nov. 2014 Executive Officer, General Manager of Business Promotion Department of the Company
Jun. 2016 Managing Executive Officer, General Manager of Production Division of Rice Cracker Business Group of the Company
Jun. 2017 Managing Executive Officer, General Manager of Administrative Division of the Company
Jun. 2018 Director, General Manager of Administrative Division of the Company
Apr. 2021 Director & CFO, General Manager of Administrative Division of the Company
Jun. 2022 Senior Managing Director & CFO, General Manager of Administrative Division of the Company (current position)



Naoko Koizumi
Managing Director, in charge of Group Companies and Diversity

Apr. 1998 Joined the Company
Jun. 2003 Director, General Manager of Product Development Division of the Company
Jul. 2013 Director, General Manager of Quality Assurance Department, Rice Cracker Business Group of the Company
Jun. 2017 Director, in charge of New Business Group of the Company
Apr. 2018 Director, Head of Rice Research Center of the Company
Jul. 2018 Director, in charge of Group Companies and Diversity of the Company
Jun. 2022 Managing Director, in charge of Group Companies and Diversity of the Company (current position)



Michiyasu Tanaka
Director, Senior Chairman

Apr. 1968 Joined The Long-Term Credit Bank of Japan, Limited (currently Shinsei Bank, Limited)
Oct. 1998 Joined the Company
Jun. 1999 Director, Deputy General Manager of Logistics Division of the Company
Jul. 2003 Director, Senior Managing Executive Officer, General Manager of Corporate Management Division of the Company
Jun. 2006 President, Executive Officer of the Company
Jul. 2013 President of the Company
Jun. 2015 Chairman & CEO of the Company
Jun. 2022 Director, Senior Chairman of the Company (current position)



Mackenzie Clugston
Outside Director
Independent Officer

Jun. 1982 Joined Ministry of Foreign Affairs, Trade and Development of Canada
Aug. 2000 Consul General of Canada in Osaka
Aug. 2003 Minister, Embassy of Canada in Japan
Aug. 2004 Minister and Deputy Head of Mission, Embassy of Canada in Japan
Aug. 2009 Ambassador of Canada to the Republic of Indonesia, to the Democratic Republic of Timor-Leste and to the Association of Southeast Asian Nations (ASEAN)
Nov. 2012 Ambassador Extraordinary and Plenipotentiary of Canada to Japan
Jun. 2016 Outside Director of the Company (current position)



Minesaburo Miyake
Outside Director
Independent Officer

Apr. 1976 Joined Kewpie Corporation
Feb. 2003 Director of Kewpie Corporation
Feb. 2010 Executive Managing Director of Kewpie Corporation
Feb. 2011 President and Representative Director of Kewpie Corporation (retired in February 2017)
Director of Nakashimoto Co., Ltd.
Feb. 2017 Chairman and Director of Nakashimoto Co., Ltd. (retired in February 2021)
Jun. 2018 Outside Director of the Company (current position)



Yoshio Ito
Outside Director
Independent Officer

Apr. 1973 Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Holdings Corporation)
Apr. 2009 Executive Officer of Panasonic Corporation
Apr. 2013 Managing Executive Officer of Panasonic Corporation
Apr. 2014 Senior Managing Executive Officer of Panasonic Corporation
Jun. 2014 Senior Managing Director of Panasonic Corporation
Apr. 2017 Executive Vice President of Panasonic Corporation
Jun. 2017 Representative Director and Executive Vice President of Panasonic Corporation (retired in June 2019)
Jun. 2020 Outside Director of the Company (current position)



Takayuki Kanai
Outside Director
Independent Officer

Apr. 1982 Joined The Nippon Credit Bank, Ltd. (currently Aozora Bank, Ltd.)
Oct. 2008 Executive Officer of Aozora Bank, Ltd.
Oct. 2010 Joined Nishimoto Trading Co., Ltd., Senior Managing Director
Mar. 2012 President and Representative Director of Nishimoto Trading Co., Ltd.
Mar. 2016 Director, General Manager, Group Business Management Division, Nishimoto Wismettac Holdings Co., Ltd.
Mar. 2017 President & COO of Nishimoto Wismettac Holdings Co., Ltd. (retired in March 2020)
Jun. 2020 Outside Director of the Company (current position)



Toshimasa Iue
Outside Director
Independent Officer

Apr. 1989 Joined SANYO Electric Co., Ltd.
Jun. 2002 Vice President of SANYO Electric Co., Ltd.
Jun. 2005 President of SANYO Electric Co., Ltd.
Apr. 2011 Director, Vice President and Operating Officer of LIXIL Corporation
Jun. 2016 Director of LIXIL Group Corporation (retired in June 2017)
Apr. 2019 Member of Advisory Panel to Consider Management of the Company (retired in April 2020)
Jun. 2020 Outside Director of the Company (current position)



Katsuo Shoyama
Outside Director
Independent Officer

Apr. 1978 Joined Asahi Brewery Company (currently Asahi Group Holdings, Ltd.)
Sep. 2008 Senior Officer, General Manager of East Kanto Area Management Headquarters of Asahi Group Holdings, Ltd.
Jun. 2011 Executive Officer, General Manager of Chugoku Area Management Headquarters of Asahi Group Holdings, Ltd.
Mar. 2013 President and Representative Director of LB Co., Ltd.
Mar. 2016 Senior Managing Director of Asahi Group Foods, Ltd.
Mar. 2017 President and Representative Director of Asahi Group Foods, Ltd. (retired in March 2021)
Jun. 2022 Outside Director of the Company (current position)

Audit & Supervisory Board Members



Michiya Kondo
Full-time Audit &
Supervisory Board
Member

Jun. 2006 Executive Officer of ShinGinko Tokyo Ltd.
Jul. 2007 CFO of Showajisyo Inc.
Jun. 2011 Full-time Auditor of Showajisyo Inc.
Nov. 2012 Joined the Company
Legal Manager of Corporate Planning
Department of the Company
Apr. 2016 Legal Affairs Team Senior Manager of
Corporate Planning Department of
the Company
Jun. 2016 Full-time Audit & Supervisory Board
Member of the Company (current position)



Jun Sasaki
Full-time Audit &
Supervisory Board
Member

Oct. 1986	Joined the Company
Apr. 2007	Manager of Customer Service Office of Customer Service Department of the Company
Jul. 2013	General Manager of Administrative Division of Toyouso Co., Ltd.
Jul. 2015	Assistant to General Manager of Accounting Department of the Company
Jun. 2016	General Manager of Audit Department of the Company
Jun. 2019	Full-time Audit & Supervisory Board Member of the Company (current position)



Kazuyoshi Aoki
Outside Audit &
Supervisory Board
Member

Independent Officer

Apr. 1979	Joined Kao Soap Co., Ltd. (currently Kao Corporation)
Mar. 2003	Controller of International Household Division of Kao Corporation
Mar. 2005	Vice Chairman of the Board and Vice President of Kao (China) Holding Co., Ltd.
May 2007	Senior Manager, Accounting and Finance Division of Kao Corporation
Jun. 2012	Executive Officer in charge of Accounting and Finance Division of Kao Corporation
Jan. 2017	Resigned from Kao Corporation
Jun. 2019	Outside Director of ANRITSU CORPORATION (current position)
Jun. 2022	Outside Audit & Supervisory Board Member of the Company (current position)



Akihiro Ito
Outside Audit &
Supervisory Board
Member

Independent Officer

Apr. 1983	Joined Kirin Brewery Co., Ltd. (currently Kirin Holdings Company, Limited)
Jan. 2013	Executive Officer, Director of Group Finance of Kirin Holdings Company, Limited
Mar. 2014	Director of the Board, CFO of Kirin Holdings Company, Limited
Mar. 2015	Director of the Board, Senior Executive Officer of Kirin Holdings Company, Limited
Apr. 2016	Director of Brasil Kirin Participações e Representações S.A. (retired in May 2017)
Mar. 2018	Standing Audit & Supervisory Board Member of Kirin Holdings Company, Limited (retired in March 2022)
Jun. 2022	Outside Audit & Supervisory Board Member of the Company (current position)

Skill Matrix¹

			Attendance		Corporate Management*	Global	Diversity	Sales/Marketing	Production/ Development/ R&D/Quality	Accounting/ Finance	Legal Affairs/ Compliance/Risk Management	Sustainability/ ESG		
			Board of Directors	Audit & Supervisory Board										
Directors	Lekh Raj Juneja		100%			○	○		○				Corporate Management	KAMEDA SEIKA is evolving from a rice cracker and snack manufacturer into a “Better For You” food company and therefore needs officers with well-balanced knowledge, experience, and skills related to corporate management in order to expand its business domain.
	Masanori Takagi		—				○	○	○				Global	KAMEDA SEIKA is evolving into a global food company and therefore needs officers who understand foreign cultures and have overseas business management experience and knowledge.
	Akira Kobayashi		100%						○	○			Diversity	KAMEDA SEIKA needs officers with understanding and knowledge of diversity in order to create an environment that empowers diverse human resources to fully demonstrate their abilities and that encourage corporate growth and development.
	Naoko Koizumi		100%				○		○			○		
	Michiyasu Tanaka		100%		○	○				○			Sales/Marketing	As a food manufacturer, KAMEDA SEIKA needs officers with knowledge and experience in sales and marketing in order to accurately identify customer needs, respond to changes in lifestyles and consumption styles, and achieve medium- to long-term growth.
	Mackenzie Clugston	Outside	100%		○	○						○		
	Minesaburo Miyake	Outside	100%		○	○	○							
	Yoshio Ito	Outside	100%			○			○				Production/ Development/ R&D/Quality	As a food manufacturer, KAMEDA SEIKA needs officers with knowledge and experience in production, development, R&D, and quality in order to continue providing deliciousness and excitement through safe and reliable products.
	Takayuki Kanai	Outside	100%		○	○				○			Accounting/ Finance	KAMEDA SEIKA needs officers with knowledge and experience in accounting and finance in order to ensure proper financial reporting and build a solid financial base, allocate assets efficiently, and make investments in growth that contribute to sustainable development and enhance corporate value.
	Toshimasa Iue	Outside	100%		○	○		○						
Katsuo Shoyama	Outside	—		○		○	○							
Audit & Supervisory Board Members	Michiya Kondo			100%		○				○	○		Legal Affairs/ Compliance/Risk Management	KAMEDA SEIKA needs officers with knowledge and experience in legal affairs, compliance, and risk management as ethical business conduct and legal compliance are the foundation for sustainable growth and enhanced corporate value.
	Jun Sasaki			100%				○		○	○		Sustainability/ ESG	KAMEDA SEIKA needs officers with understanding and knowledge of sustainability in order to accurately identify risks and opportunities in a timely manner and be able to reflect them in management to ensure sustainable businesses and increase medium-to long-term corporate value.
	Kazuyoshi Aoki	Outside		—		○			○		○			
	Akihiro Ito	Outside		—		○			○		○			

1. The above matrix shows areas where individuals can demonstrate expertise based on experience and other factors. It does not cover all their knowledge.
2. Experience as president of a publicly listed company or equivalent

Executive Officers

Managing
Executive
Officer

Yasuhiro Mayama
(General Manager of Sales Division)

Executive
Officer

HiroYuki Horita
(General Manager of SCM Division)

Managing
Executive
Officer

Takeshi Fujii
(General Manager of Overseas
Business Division)

Executive
Officer

Toru Nishiyama
(General Manager of Production Division)

Managing
Executive
Officer

Satoshi Torigoe
(General Manager of Corporate
Planning Department)

Executive
Officer

Seiji Sanada
(General Manager of Systems Development
Department, Administrative Division)

Executive
Officer

Koichi Iida
(General Manager of Technology
Development Department, Product Division)

Executive
Officer

Hiroyuki Kaneko
(General Manager of General Affairs
Department, Administrative Division)

Executive
Officer

Hajime Takahashi
(Head of Rice Research Center)

A Discussion among Three Outside Directors

What are the key points of KAMEDA SEIKA's unique evolution as it strives to improve corporate value over the medium to long term, and what role should the Board of Directors play?

In this section, three outside directors (Minesaburo Miyake, Takayuki Kanai, and Toshimasa Iue) discuss KAMEDA SEIKA's governance and future growth potential based on their diverse experience in their respective fields.



Toshimasa Iue
Outside Director

Minesaburo Miyake
Outside Director

Takayuki Kanai
Outside Director

Utilizing experience in corporate management and providing advice from multiple perspectives

Miyake: KAMEDA SEIKA is moving forward with the initiatives of its medium-term business plan and working to evolve from a rice cracker and snack manufacturer into a food company providing value through the concept of “Better For You.” KAMEDA SEIKA has also been transitioning to a new management structure since June 2022 and is accelerating the speed of change. This has increased the importance of the Board of Directors because of its responsibilities in guiding management. In this context, I understand that I am expected to utilize my management experience in food manufacturing. This includes, for example, providing advice that takes into account risks related to investment projects. What perceptions do the two of you have?

Kanai: Like you Mr. Miyake, I also recognize the high expectations placed on me based on my experience and knowledge as a member of top management. In particular, I believe that my experience in managing the process of taking a company public and my extensive overseas business experience will be useful for future global expansion.

Iue: All three of us have experience as a company president. I have worked at manufacturing companies for many years, and my mission has been to deliver the best Japanese products to as many people as possible around the world. The reason for my involvement in the management of the KAMEDA SEIKA Group is my desire for as many customers

as possible to enjoy the Group's excellent products. Personally, I love KAMEDA SEIKA's rice crackers, so I was very happy when offered a role as a director. With this in mind, I would like to contribute by making the most of my experience as a member of top management at a manufacturing company.

Transforming and evolving governance is a priority over the medium to long term.

Kanai: No one on KAMEDA SEIKA's Board of Directors likes to engage in conjecture, so everyone feels safe to speak their mind. This is the foundation on which everything is based. I believe that having a majority of outside directors with various backgrounds and knowledge is an extremely important factor that adds vitality to the Board. Some people think that a larger number of inside directors speeds up decision-making, but I believe that unbiased thinking about management is crucial, and that proper discussion should be a priority. As an outside director, I sometimes have to push for taking a risk while at other times I must make cautionary remarks, while being careful to not jump to conclusions, particularly when I feel that the Board is moving forward without fully discussing all of the issues.

In addition, the greatest risk for companies that handle food products is impairment of product quality and safety. I bear this in mind as I fulfill my supervisory responsibilities.

Miyake: As Mr. Kanai said, the atmosphere of the Board of Directors is extremely energetic. While opting for the conventional organizational design of a company with an Audit & Supervisory Board, we have established a system based on

"Even under the new management structure, I want the Board to demonstrate to those both inside and outside the company its stance of not being afraid to fail and boldly taking on challenges without being bound by past experiences."

Minesaburo Miyake

our unique approach to advanced governance by making outside directors the majority on the Board of Directors. I sense a strong desire to increase the effectiveness of the Board.

On the other hand, the agenda items at Board meetings tend to focus on short-term issues, which is a problem for many Japanese companies. Based on the evaluation of the effectiveness of the Board of Directors, we need to spend more time discussing matters from a medium- to long-term perspective.

Even under the new management structure, I want the Board to demonstrate to those both inside and outside the company its stance of not being afraid to fail and boldly taking on challenges without being bound by past experiences. Mr. Iue, how do you feel about the Board of Directors?

Iue: As an outside director, I have watched the Group for two years. As Mr. Miyake said, I feel that our unique governance system is functioning effectively. However, no matter how



good the governance system is, a company must constantly evolve its ways of thinking to achieve corporate longevity. Governance should also be sustainable, and evolving it further rather than stubbornly continuing to hold on to existing practices is key.

I also agree with Mr. Miyake that it is essential to enhance medium- to long-term discussions. We must have in-depth discussions on how to evolve governance in the future and how to delve more deeply into our businesses.

Valuing a culture of commitment and encouraging a management mindset

Iue: Overall, KAMEDA SEIKA is a company that values commitment, whether in front-line manufacturing, development, and sales departments or in headquarters management departments. At our factories, trustworthy

people are committed to their work within their specialized area. However, commitment has in some cases narrowed the field of vision. I believe we can bring out the best in people – employees who excel in their respective workplaces – if we encourage a management mindset among all employees.

The management structure has been revamped, and the new chairman and new president encourage employees to have more fun and smile. The products we provide our customers make their eating habits enjoyable, so enjoying our work is also important. Concepts such as “global” and “diversity” are often bandied about these days, but I think they encompass values that should be looked forward to and enjoyed as part of the process of moving forward. They are difficult concepts if thought about too seriously or rigidly, but engaging with them can be a powerful force.

Miyake: I agree. Specialization is unavoidable in the process of scaling up businesses, but we can also resolve problems resulting from specialization with cross-organizational teams that share a common purpose. For example, we can create problem-solving teams that integrate production and sales.

Without doubt, the key is that our underlying Mission Statement, Management Philosophy, and Basic Management Policy permeate each Group company and that they are practiced in daily operations. This mindset will keep us from making major mistakes, and even if an unforeseen situation arises, we will be able to respond in a way that is aligned with our customers.

Kanai: Earlier, Mr. Iue mentioned organizational culture, and my interactions with front-line employees have reminded me that KAMEDA SEIKA is widely recognized as the number one company in the rice cracker industry. I speak with department

heads and key people in their departments, and all of them know they are working for a leading company. That also clearly shows in their day-to-day conduct and behavior. I believe this mindset makes employees proud and helps to further enhance the potential of each employee.

The KAMEDA SEIKA Group’s unique perception of food drives value creation.

Kanai: Mr. Iue spoke about the importance of enjoying yourself earlier, and I completely agree with him. My theory is that in the future, the world of food will come to emphasize entertainment. As digital transformation progresses and people spend less time doing work, I believe that we will have more leisure time and opportunities to enjoy food. Considering that the KAMEDA SEIKA Group contributes to global food culture as a “Better For You” food company, it should quickly address the future of food as entertainment, and the Group can certainly do that. I want KAMEDA SEIKA to become a corporate group that can deliver added value by contributing to global food culture with products that are safe, reliable, and delicious, as well as healthy, fun, and environmentally friendly.

Miyake: I agree. One of the unique aspects of the KAMEDA SEIKA Group is that it manufactures and sells rice crackers as well as explores the potential of rice itself. KAMEDA SEIKA’s Rice Research Center explores the possibilities of rice – conducting a variety of research related to deliciousness, functionality, new ingredients, and production technology. The Group has already launched new plant-based foods



“We should quickly address the future of food as entertainment, and become a corporate group that can deliver added value by contributing to global food culture.”

Takayuki Kanai



“We must create new markets by refining our technology for commercialization, production, and local sales, developing young talent, and expanding overseas.”

Toshimasa Iue

(meat analogues) and rice flour bread brands, and I see the potential for expanding new business domains and accelerating growth.

Iue: Certainly, one of the reasons why the KAMEDA SEIKA Group has grown to date is that it has pioneered and expanded the market for rice crackers. Reading the materials of U.S. subsidiary Mary's Gone Crackers, Inc. reminds me that the Japanese equivalent to the English word “snack” encompasses multiple markets ranging from afternoon snacks and party foods to sweets. The KAMEDA SEIKA Group has promoted the appeal of rice while expanding markets for it by proposing various products, uses, and ways of eating it. I want the Group to use the strengths and know-how it has cultivated in the rice cracker market to further expand its businesses.

Issues for future growth are clear but the KAMEDA SEIKA Group has the ability to succeed.

Iue: Markets around the world are undergoing rapid change, so the Group needs to fundamentally change its business structure rather than fall back on past successes in search of answers. We need to expand our businesses by developing new markets and increasing the number of customers. The core prerequisites for this are developing young talent and expanding overseas. Technological capabilities are the key to replicating domestic successes globally. In the end, it is not so much the products themselves that cross the ocean, but the technology for commercialization, production, and local sales, so we must continue to refine those areas. With this in mind, I would like the new chairman and the new president to boldly implement their own ideas. As an outside director, I intend to devote my energies to providing support to help them succeed in their efforts.

Kanai: The KAMEDA SEIKA Group is a leader in the Japanese rice cracker market, but this market will inevitably shrink due to population decline. We therefore need to look overseas. From the perspective of freshness, producing and selling food locally makes the most sense. As Mr. Iue said, we need people with sophisticated technological capabilities and overseas experience and knowledge. Unfortunately, the Group still has work to do in this regard. I think we should concentrate our efforts on solving these issues as soon as possible, with an emphasis on human resource development.

Miyake: As I said earlier, expanding the possibilities of rice is the Group's largest business opportunity, and I think this is an area where the Group can demonstrate its strengths. I want the Group to make the KAMEDA SEIKA brand known globally as it does so.

I believe that KAMEDA SEIKA can open up new markets and evolve into an even more interesting company. Deepening discussions and reaffirming strengths will therefore be key under this new management structure. Going forward, we need to think about what sets us apart from other companies and how to enhance those strengths. I look forward to the adventure of working with KAMEDA SEIKA on new challenges.

Corporate Governance

Basic Approach

Corporate governance in the Company is a mechanism for ensuring management transparency, fairness, planning, and speed, and for organically linking business execution and supervision so that they function in a timely and appropriate manner, in order to realize the ideal corporate management to which the Company has aspired since it was founded (aiming to achieve sustained development of the business and enhancement of corporate value by building good relations with all stakeholders of the Company and meeting the needs of society), consistent with its Corporate Philosophy.

The Company considers strengthening and enhancing corporate governance to be an important management issue, and continuously works to build an effective governance system.



Corporate Governance Policy

<https://contents.xj-storage.jp/xcontents/AS01309/13115c7d/a095/442a/9551/0ddcb11d81a9/20221212113607602s.pdf>

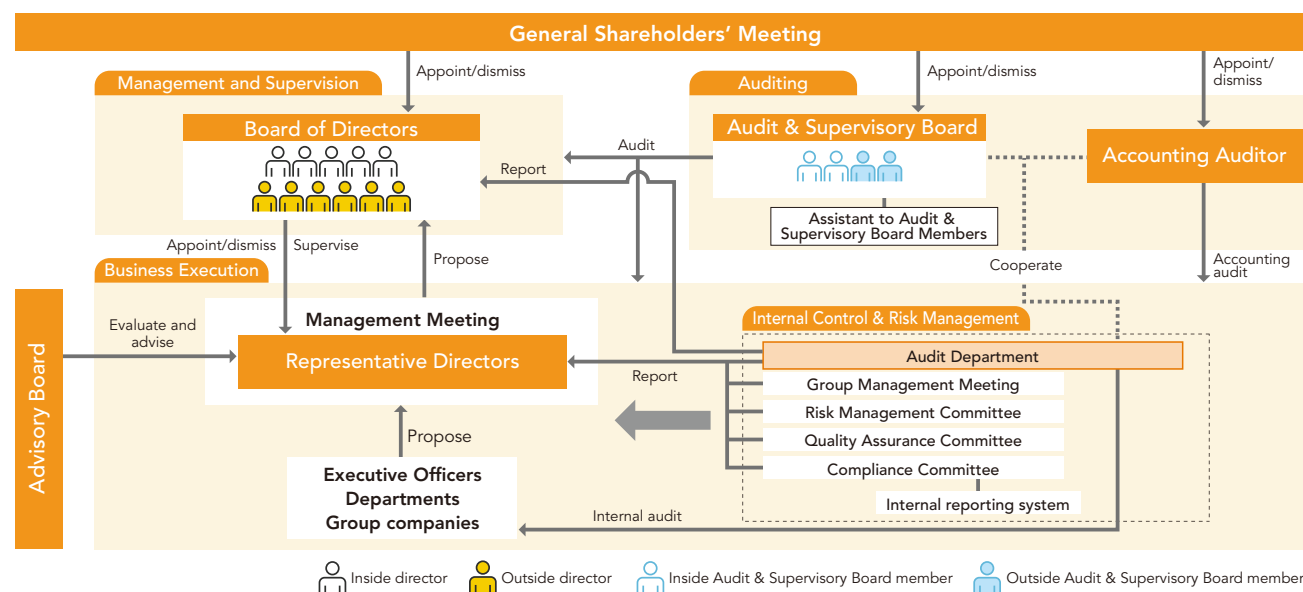
In order to build a sound management system for heightened risks associated with globalization and other trends, and to realize an advanced monitoring model using outside directors, the Company has made its own decision to have a Board of Directors with highly independent outside directors comprising a majority of directors in addition to clarifying the division of roles of management supervision and execution functions, and has introduced an Executive Officer system for increasing the speed of business execution. In addition, as a company with an Audit & Supervisory Board, the Company is strengthening functions for auditing and monitoring management while effectively utilizing the functions of Audit & Supervisory Board members.

Furthermore, Advisory Board meetings are periodically held by outside experts who provide evaluation and advice to the representative directors on business strategies and Group management in general.

Corporate Governance Improvements

	Details	Composition of Board of Directors	Ratio of Outside Directors
2002	Advisory Board established		
2003	Executive Officer system introduced		0%
2006	Outside director system introduced		40%
2012	Business group system introduced		22%
2014	Outside directors become a majority		57%
2015	Chief officer system introduced (CEO, COO)		63%
2018	Corporate Governance Policy established		60%
2020	Number of directors increased		54%
2021	Evaluation of effectiveness by a third-party organization conducted		54%
2022	New management structure established		55%

Corporate Governance Framework



Overview of Important Meetings

	Member Composition	Independence	Meeting Frequency	Main Topics of Discussion in FY2021
Board of Directors	5 inside directors 6 outside directors	55%	Once a month in principle	<p>(1) Examination of growth strategies for the domestic rice cracker business</p> <ul style="list-style-type: none"> •Examination of growth strategies based on medium- to long-term market needs and production capacity •Examination of efforts to strengthen supply chain management to accommodate shortfalls in supply capacity <p>(2) Monitoring of progress of strategies in the overseas business</p> <ul style="list-style-type: none"> •Confirmation of progress of efforts to build our presence in North America, the largest market for gluten-free products, and of growth strategies for expanding our business <p>(3) Discussion of strategies for expanding the food business</p> <ul style="list-style-type: none"> •Confirmation of the marketability and strategic significance of plant-based foods and rice flour bread and examination of overall strategies including investments and M&As •Confirmation of overall strategies and risks in the food business's core long-life preserved foods category <p>(4) Examination of corporate culture reforms and human resource policies</p> <ul style="list-style-type: none"> •Reforms of human resource systems for training people and enhancing their capabilities and examination of measures to create an environment that accommodates diverse work styles
Audit & Supervisory Board	2 full-time Audit & Supervisory Board members 2 outside Audit & Supervisory Board members	50%	Once a month in principle	<p>Related to operational audits: Audit plans, reports on audit activities, advance confirmation of proposals to be considered by the Board of Directors</p> <p>Related to accounting audits: Quarterly and year-end audit review, consideration of KAM,¹ evaluation of accounting auditor</p>
Management Meeting	5 inside directors 9 executive officers (Full-time Audit & Supervisory Board members may also attend as observers)	—	Once a week in principle	<p>Topics subject to decision-making: Discussion of policies (product policies, sales policies, etc.), capital investment and other items to be brought up in Board of Directors meetings</p> <p>Report and review topics: Business report monitoring, etc.</p>
Advisory Board ²	2 representative directors 4 outside experts	—	Three times a year	Exchange of views on the medium- to long-term vision, changes in the market environment (consumer sentiment), and management strategy, business strategy and various measures

1. Key Audit Matters 2. Has not convened since FY2020 due to the COVID-19 pandemic

Board of Directors

The Board of Directors formulates management policies and management plans that form the core of the Company's management, in addition to establishing corporate governance through management and supervision of business operations and deliberation and decision-making on important matters, along with the supervision of important matters in Group companies.

Audit & Supervisory Board

The Company has adopted the company with an Audit & Supervisory Board structure. Meetings of the Audit & Supervisory Board are held according to the annual audit plan to determine audit policies, review the content of audits, and conduct reviews, etc. based on reports from the accounting auditor. Audit & Supervisory Board members attend important meetings such as meetings of the Board of Directors and also conduct audits of divisions and subsidiaries. The appointment of an employee to assist the duties of Audit & Supervisory Board members helps to strengthen the audit functions of Audit & Supervisory Board members.

Management Meeting

In principle, Management Meetings are held weekly for inside directors and executive officers to make decisions on important matters pertaining to business operations and to deliberate matters for submission to the Board of Directors.

Group Management Meeting

In principle, Group Management Meetings are held every six months. The meeting comprises inside directors and full-time Audit & Supervisory Board members as well as the presidents of Group companies. In addition to receiving reports on the status of business operations of Group companies, it discusses common issues throughout the Group such as the strengthening of internal controls.

Advisory Board

The Company periodically holds Advisory Board meetings, made up of the two representative directors and four outside experts who provide evaluation and advice to the representative directors on business strategies and management in general within the Group.

Quality Assurance Committee, Risk Management Committee, Compliance Committee

In principle, meetings of each of these committees are held at least once per quarter to resolve various issues within the Group with the aim of quality assurance, risk management, and ensuring compliance throughout the entire Group.

Diversity of the Board of Directors

The Company's Board of Directors is made up of officers with diverse values including gender and nationality.

The basic stance is for highly independent outside directors to comprise a majority of the Board of Directors to enable lively deliberation and swift decision-making. The Company believes that inside directors must comprise members with a sense of balance,

accomplishments, decisiveness, and diverse specialties enabling them to understand operations in general and act accordingly.

For outside directors, the Company seeks a good balance of various kinds of knowledge, experience and abilities by appointing primarily business managers from the food industry and other industries to support its goal of expanding its business domain from the rice cracker and snacks industry into the food industry. The Company believes it is necessary for outside directors to be managers or people with management experience from a variety of industries, and who are independent and have diverse perspectives, abundant experience, high-level insight and expertise. As a result, the Company believes it can expect an advanced monitoring model by outside directors, and that it can create a sound management system for heightened risks from globalization and other trends.

Furthermore, as a food manufacturer, the Company believes that women's values and ideas are important, and that it is necessary for women to be included among the members of the Board of Directors.

Appointment and Dismissal of Directors

Nomination Policy for Director Candidates

The basic stance is for the Company's Board of Directors to have a maximum of 14 members to enable lively deliberation and swift decision-making and for highly independent outside directors to comprise the majority.

When nominating director candidates, the Chairman & CEO makes proposals according to the following criteria, and submits these as proposals to the General Shareholders' Meeting. For outside directors, the Company adds independence criteria.

Appointment Criteria for CEO and COO

The Company will establish criteria for the appointment of the CEO and the COO as follows.

[Ability]

- Must understand and be able to implement the Company's Corporate Philosophy
- Must have the ability to ascertain medium- to long-term trends in global society, and to devise and execute medium- to long-term plans accordingly

[Leadership]

- Must be able to communicate sincerely with officers and employees
- Must be able to lead and take initiative

[Resourcefulness]

- Must have personal appeal, fortitude, depth, and generosity
- Must correctly understand own capabilities, and have a stance of supplementing own shortcomings by coordinating with others

In addition, the Company has formulated a successor development plan for the CEO and the COO, considers the state and results of its operation in each meeting of the Board of Directors, and determines the CEO and the COO in the Board of Directors by considering the opinions of management executives and outside officers and assessments such as 360-degree evaluations with reference to the content considered in the successor development plan and the CEO and COO appointment criteria.

If it is found that the CEO or the COO is not functioning adequately, if there are serious concerns with corporate governance such as a social scandal, if the Company's performance deteriorates significantly, or if qualification under the CEO and COO appointment criteria is lost, the Board of Directors will discuss and determine the dismissal of the CEO or the COO.

Successor Development Plan

The Company has formulated a successor development plan including evaluation of business operations and designated training, as well as assessments such as 360-degree evaluations and personal interviews with outside directors, and verifies the state and results (process) of the plan's operation in each meeting of the Board of Directors.

Framework of Outside Directors

Highly independent outside directors comprise a majority of the Company's directors. To make the most of this characteristic, the Company operates as follows.

The Company has not established "meetings consisting solely of independent directors" for the following reasons.

- "Meetings consisting solely of independent directors" are thought to be effective for rectifying an environment where few directors are outside directors and it is difficult for their opinions to be reflected, but the Company has appointed six outside directors, and believes it has created an environment where it is easy for outside directors to make comments and ensure their opinions are reflected in the matters being discussed.
- Outside directors are required to individually exercise their own outstanding expertise, but the Company believes that the establishment of "meetings consisting solely of independent directors" may result in a weakening of their independence, such as through forming a kind of common awareness, making it difficult to state opposing opinions.
- The Company believes that an effort can be made to ensure there is an adequate understanding by providing outside directors with information that is of the same quality and content, such as minutes and reports of the Company's important meetings, giving due consideration so that there are no discrepancies in the information provided to each individual.

The Company has not appointed a lead independent outside director for the following reasons.

- Appointing a lead independent outside director may foster a sense of seniority among independent outside directors and an awareness of being dependent on the lead independent outside director.
- The Company believes that unification of opinions of outside directors is not necessarily required because outside directors are required to have their own outstanding knowledge and to individually exercise their own outstanding expertise.

Evaluation of Effectiveness of the Board of Directors

The Company analyzes and evaluates the effectiveness of the Board of Directors around once per year, and discloses an overview of the results. An evaluation of effectiveness was conducted by a third-party organization in FY2021. Going forward, the Company plans to conduct third-party evaluations once every few years.

Evaluation Methodology	<ul style="list-style-type: none"> The Company's Board of Directors was inspected and observed by a third-party organization Practices and procedures related to the operation of the Board of Directors, as well as the support system for outside directors, were confirmed A questionnaire was prepared by the third-party organization, and answered by all directors and Audit & Supervisory Board members (17 persons) Based on the results of the questionnaire, interviews were conducted with four representative directors and outside officers (seven outside directors and two outside Audit & Supervisory Board members) by the third-party organization The results of the questionnaire and interviews were compiled and analyzed by the third-party organization
Survey Items and Content	<ul style="list-style-type: none"> i) Functions of the Board of Directors (discussion of medium- to long-term management strategies, exercise of supervisory functions regarding nominations and remuneration, etc.) ii) Structure and size of the Board of Directors (status of exercise of functions, and ensuring the necessary skills and diversity of the Board of Directors based on the assumption that the majority of directors are independent outside directors (a structure that is in the minority in Japan)) iii) Operation of the Board of Directors (appropriateness of the number and duration of Board of Directors meetings, provision of materials, and agenda, from the perspective of the exercise of the supervisory functions of the Board of Directors, etc.) iv) Supervision over the audit function (cooperation between Audit & Supervisory Board members, outside directors and relevant audit organizations, etc.) v) Exercise of outside director functions (establishment of a system structured to enable outside directors to fulfill their functions, provision of information to outside directors, etc.) vi) Relationship with shareholders and investors (system for dialogue with shareholders and investors, feedback of shareholder and investor opinions to the Board of Directors, etc.)
Evaluation Results	<p>The Board of Directors was evaluated as having strengths in ensuring diversity in skills and experience, such as by having a majority of independent outside directors and a number of directors with experience in the management of listed companies, as well as through the active sharing of opinions by independent officers. On the other hand, the Board of Directors also identified the need for more active discussions at Board meetings as an issue, including about medium- to long-term management strategies. In this regard, the number of directors and structure of the Board of Directors, the duration of Board of Directors meetings (including the use of forums other than Board meetings), and the provision of more information and training to outside directors were recognized as measures that should be considered.</p>

Support for Outside Officers and Officer Training

Support for Outside Officers

- The Company has established a Board of Directors Administrative Office in the Corporate Planning Department to ensure smooth operation of the Board of Directors and active deliberation, and provides the same degree of important meeting content, etc., concerning information thought to be necessary to outside directors and outside Audit & Supervisory Board members.
- The Company has appointed one assistant to the Audit & Supervisory Board members to assist in the preparation of materials for the Audit & Supervisory Board and to provide audit assistance for various investigations and materials upon request.

The Company determines the annual schedule of the Board of Directors and the main agenda items for the year, and ensures there is time for deliberation of each matter on each meeting day, thereby ensuring that sufficient deliberation is possible. Furthermore, in principle, materials for meetings of the Board of Directors are distributed no later than three days before the meeting is held, and briefings are provided in advance for some agenda items.

Officer Training

When an outside director or an outside Audit & Supervisory Board member joins the Company, plant tours and other training activities are carried out to provide the necessary knowledge on the industry to which the Company belongs, the Company's history, an overview of the business, financial information, management strategies, organizations, and other matters. In addition, external and other organizations are utilized to conduct training to provide directors and executive officers with management skills in order to develop better leadership and skills for fostering management strategies. Furthermore, Audit & Supervisory Board members actively participate in various training sessions and meetings to exchange views with other industry participants in an effort to improve auditing and supervision skills related to operations and accounting.

Executive Remuneration

Basic Approach

The basic policies on the Company's executive remuneration are as described below, and the details thereof are deliberated and resolved by the Board of Directors, which is composed of a majority of independent outside directors.

- To raise awareness among management of the emphasis on shareholder benefits through improvement of corporate value and sustainable growth.
- To ensure a high degree of linkage with business performance that incentivizes achievement of company performance goals.
- To ensure that the procedures used to determine remuneration are transparent and objective.

Overview of Remuneration System

Remuneration for directors other than outside directors is made up of base remuneration (which is fixed remuneration) and bonuses (which are linked to the Company's performance).

Fixed Remuneration	Performance-linked Remuneration
Base remuneration 50%-70%	Bonuses 30%-50%

• Base Remuneration

The amount of base remuneration of each director is determined by the position that links to his or her roles and responsibilities, and is paid out as fixed monthly remuneration, within the limits prescribed at the General Shareholders' Meeting.

Outside directors and Audit & Supervisory Board members (both inside and outside members) occupy non-executive, independent positions, and as such they only receive fixed remuneration.

• Bonuses

Bonuses are assessed on indicators that include consolidated net sales, consolidated operating income, consolidated return on equity

(ROE) and net income attributable to owners of the parent, emphasizing the link with the performance of Group companies, as well as corporate value and shareholder value.

Under the bonus system, the amount to be paid is calculated based on the degree to which the targets are achieved, varying between 0% and 150% with 100% being paid if targets are achieved, and the total amount of bonuses is proposed at the ordinary General Shareholders' Meeting for the applicable business year, and paid promptly after the resolution of the proposal.

- Remuneration Ratios

The ratio of performance-linked remuneration to total remuneration is designed to increase for higher-ranked positions, in accordance with each position's title, etc., and is generally around 30-50% if performance targets are achieved.

Procedures Used to Determine Remuneration

In order to ensure transparency and objectivity, remuneration levels and the suitability of remuneration amounts are determined by deliberation and resolution of the Board of Directors, which is composed of a majority of independent outside directors.

The Company does not currently provide remuneration linked to medium- to long-term performance or share-based remuneration. The Company believes that there should be a balance between remuneration of the management team and improvement of the standard of living of employees, and believes that the current system of submitting proposals for bonuses based on the Company's performance to the General Shareholders' Meeting for approval is appropriate for executive directors.

With regards to the remuneration system, the Company will flexibly consider incentives, etc., paid in connection with contributions to the Company's performance.

Cross-Shareholdings

The Company holds shares of other companies for strategic purposes such as maintaining and developing good business relationships. Furthermore, the Company reviews each shareholding that is found not to have significant meaning.

Each fiscal year, the Board of Directors reviews the appropriateness of cross-shareholdings by reviewing the outlook of business relationships with the companies in which they are held, and carefully assessing whether the benefits and risks associated with holding them are commensurate with the Company's capital costs.

In principle, the Company exercises its voting rights for all cross-shareholdings from the perspective that appropriately exercising voting rights leads to enhancement of medium- to long-term value and sustained growth of the companies in which it invests. Furthermore, when voting, the Company makes specific decisions to approve or not for individual proposals.

Total Amount of Executive Remuneration (FY2021)

Executive Category	Total Remuneration (Millions of yen)	Base Remuneration (Millions of yen)	Performance-linked Remuneration (Millions of yen)	Non-cash Remuneration	Number of People
Directors (excluding outside directors)	291	182	109	—	6
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	33	33	—	—	2
Outside officers	108	108	—	—	9

Ratio of Cross-Shareholdings to Net Assets

(As of March 31, 2022)

Total consolidated net assets (a)	¥66,046 million
Total consolidated balance sheet amount (b)	¥2,262 million
Ratio (b÷a)	3.4%

Compliance

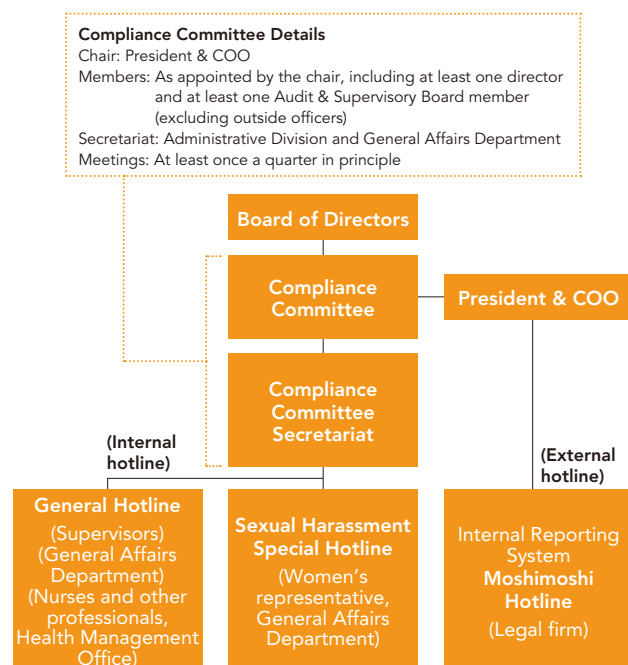
Basic Approach

Today, companies are called on not simply to fulfill their legal obligations, but to behave in line with values and ethics befitting a good corporate citizen and member of society.

Under its Mission, the KAMEDA SEIKA Group creates better products and services in order to bring customers health, deliciousness and excitement. The creation of better products and services must be backed by the conduct of each employee in practicing corporate ethics in compliance with all laws, regulations and internal rules that apply to our business activities, and in following social norms.

We have formulated the KAMEDA SEIKA Group Code of Conduct, as well as its bylaws, to ensure that the KAMEDA SEIKA Group's business activities are conducted in accordance with an appropriate legal and ethical direction. The code and bylaws set

Compliance Framework



out our policies for legal and ethically appropriate conduct by employees and officers, which are then effectively implemented by each individual.



KAMEDA SEIKA Group Code of Conduct:
www.kamedaseika.co.jp/cs/?p=company.companyCompliance
(Japanese only)

Several measures help to cultivate and spread a compliance mindset within the Group. The *Compliance Guidebook* is distributed to the officers and employees of KAMEDA SEIKA and its domestic subsidiaries, and local translations of the KAMEDA SEIKA Group Code of Conduct are distributed at overseas subsidiaries, with the aim of promoting awareness and ensuring the practice of compliance. Furthermore, we have coined “Seven Key Phrases” that enable employees and officers to better relate the KAMEDA SEIKA Group Code of Conduct to their work. These are displayed and regularly recited at workplaces.

Seven Key Phrases

- ① Be customer-oriented
- ② Look after nature
- ③ Follow the rules
- ④ Clearly distinguish public and private
- ⑤ Tell the truth, never hide it
- ⑥ Conduct fair business dealings and build fair interpersonal relationships
- ⑦ Do not engage in, encourage or overlook misconduct

Anti-Bribery Initiatives

The KAMEDA SEIKA Group Code of Conduct states that, in its business activities, the KAMEDA SEIKA Group shall comply with laws and regulations, prohibit the provision of unfair profits or benefits to any particular person(s), and engage in fair and honest transactions. Furthermore, given growing global demand for stronger anti-bribery measures, the Group has established an Anti-Bribery Policy that aims to further advance initiatives under the Code of Conduct.

We work to prevent bribery, based on our Anti-Bribery Policy, and to maintain and further raise the level of public trust in the

KAMEDA SEIKA Group in Japan and all other countries and regions where we operate.

Internal Reporting System

To ensure the early detection and prevention of potential legal or regulatory violations and misconduct, the KAMEDA SEIKA Group has established Moshimoshi Hotline, an internal reporting system that connects to an external legal firm as a point of contact for reporting and consultation, and distributes the *Compliance Guidebook* to ensure employees are aware of the hotline. When a report or consultation is made, it is immediately reported to the President & COO of the Company, and relevant departments take responsibility for confirming facts and other investigations and report the results to the KAMEDA SEIKA Group Compliance Committee. Based on the results of the investigation, the President & COO or the director in charge decides on the necessary response.

In addition, the privacy of persons who contact the hotline and the confidentiality of their consultations are strictly maintained, with the exception of cases where the seriousness of the situation mandates public disclosure. Unfavorable treatment of whistleblowers is prohibited under the KAMEDA SEIKA Group Whistleblower Protection Rules.

Reporting Eligibility¹

Employees and officers of KAMEDA SEIKA

Employees and officers of consolidated subsidiaries²

Employees seconded to equity-method affiliates

1. Excludes temporary employees and dispatch staff

2. The system is still in the process of being introduced at some consolidated subsidiaries.

FY	Number of Consultations
2021	3
2020	1
2019	1
2018	4
2017	0

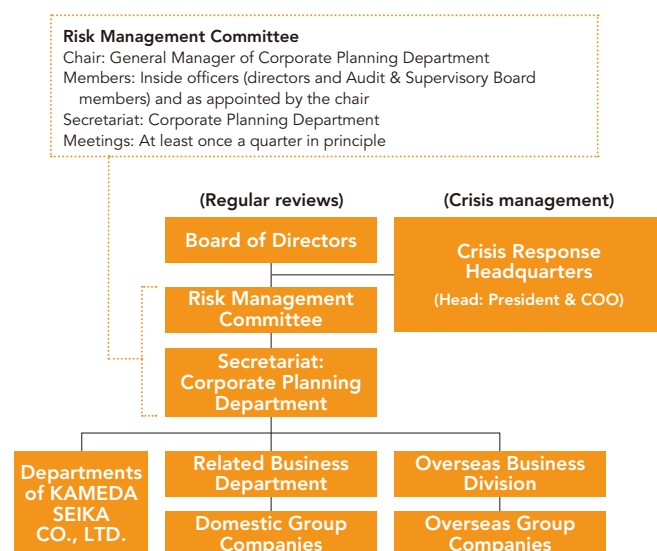
Risk Management

Basic Approach

The Group strives for more stable operations by implementing appropriate countermeasures that address the various risks affecting its business activities, as it works toward ensuring corporate sustainability and achieving management targets. We identify risks that could have a major impact on the Group's operations, prioritize them based on their likelihood of manifesting and the scale of potential damage, and implement countermeasures.

In recent years, heavy rainfall has caused flooding of plants and earthquakes have disrupted logistics and transport networks. These are among the major environment- and society-related sustainability risks that we recognize as threats to our business activities. These risks fall into four major categories – core process risks, disaster and accident risks, external environmental risks and compliance risks – and we implement risk reduction activities for each category.

Risk Management Framework



Risk management is led by the Company's Risk Management Committee, which convened four times in FY2021. In accordance with the Group Risk Management Regulations, each year the committee formulates specific action plans to manage major risks that may materialize and have a serious impact on operations in terms of the business continuity of the Company and individual Group companies. Doing so ensures the effectiveness of risk management activities. The committee also promotes activities and considers measures for preventing risks from manifesting.

In addition, we invite external experts to present Crisis Management Seminars to enhance officer and employee awareness of how to respond in a crisis. We have also introduced a Crisis Management Manual based on hypothetical risk scenarios and formulate plans and conduct simulation drills of procedures for specific risks and our business continuity plan (BCP) so we can respond rapidly and minimize damage.

In the event that a risk does manifest, we immediately establish a Crisis Response Headquarters and initiate prompt responses and disclosure as appropriate in accordance with the procedures stipulated in the Crisis Management Manual.

Business Continuity Plan (BCP)

The Group implements countermeasures against various risks that pose a threat to business continuity. In particular, the Group's headquarters' functions as well as key production and distribution sites are concentrated in the Kaetsu region of Niigata Prefecture. If lifeline services are cut off due to a region-wide natural disaster or large-scale power outage, this could significantly impede the Company's overall operations.

Furthermore, if due to such circumstances, the Company is unable to fulfill its supply responsibilities, or unforeseeable issues arise in raw materials or manufacturing processes, a product recall or other event could have a significant effect on the Company's overall operations.

Information Security

Among the variety of regulations we have established to address information security risks are the Document Retention Regulations, the Personal Information Protection and Management Rules, the KAMEDA SEIKA Group Information Management Regulations and the KAMEDA SEIKA Group Information System Regulations. Furthermore, we conduct awareness-raising and other initiatives to prevent inappropriate information management and leakage of confidential information.

We recognize that the implementation of security measures for Group-wide information system management is an important issue in promoting the use of IT. We conduct paper-based inspections at Group companies in Japan and overseas to understand the current situation, identify issues and consider countermeasures.

In addition, we recognize that improving the IT literacy of our employees is an important issue in strengthening information security. We have therefore introduced an IT Supporter System that designates a person responsible for IT in each department to raise the overall level of knowledge.

Major Business-Related Risks

	Area	Risk	Countermeasures
Core Process Risk	Raw Material and Product Safety	<ul style="list-style-type: none"> • Cessation of production activities due to issues with raw materials or manufacturing processes • Recall of products, suspension of sales or other problems due to the above issues 	<ul style="list-style-type: none"> • Strengthen quality assurance system, primarily through the Quality Assurance Committee • Hold Group Quality Assurance Personnel Meetings • Obtain certification under the FSSC 22000 international standard for food safety management systems
	Earthquake, Tsunami, Extreme Weather Event or Major Accident	<ul style="list-style-type: none"> • Loss of production and sales bases, safety hazards to employees, supply chain disruptions, etc., due to concentration of management infrastructure in the Kaetsu region of Niigata Prefecture • Loss of public confidence due to fire or other major accident 	<ul style="list-style-type: none"> • Introduce Crisis Management Manual • Establish risk-specific countermeasures and business continuity plans (BCPs) and conduct periodic reviews • Introduce employee safety confirmation system and conduct periodic drills • Seismic reinforcement of production bases and other major facilities • Conduct disaster drills for fires, natural disasters, etc.
Disaster/Accident Risk	Environment	<ul style="list-style-type: none"> • Transition risk • Physical risk 	<p>▶ For more details, see “Disclosure Based on the Task Force on Climate-related Financial Disclosures (TCFD) Framework” on page 36.</p>
External Environment Risk	Raw Material Procurement	<ul style="list-style-type: none"> • Impact of factors such as weather, crop yields and market prices on procurement volume and cost, given that our main raw materials are agricultural products • Impact on procurement cost from factors relating to raw materials in general, such as supply/demand trends and fuel costs 	<ul style="list-style-type: none"> • Secure stable amounts/volumes and avoid overdependence on specific suppliers through diversified procurement in terms of raw material varieties, production regions and other factors • Multi-year contracts for raw materials, etc., of specified varieties or production regions • Switch to in-house production of some auxiliary materials
	Changes in Distribution and Competition	<ul style="list-style-type: none"> • Loss of sales opportunities or reduced sales prices due to changes such as in the management environment or sales plans of specific companies or industries • Product obsolescence or loss of sales opportunities due to launch of new products or sales campaigns by competitors 	<ul style="list-style-type: none"> • Dispatch field staff to retailers for detailed follow-up • Support sales floor development from a customer perspective through proposal-based marketing • Strengthen framework for developing new products
	Situation in Overseas Business	<ul style="list-style-type: none"> • Issues such as reduction in demand, suspension of operations or supply shortage in the countries/regions in which we do business caused by dramatic changes in economic, political, social or other conditions, or due to food safety, climate change or natural disaster 	<ul style="list-style-type: none"> • Dispatch core personnel from KAMEDA SEIKA • Support management, oversight and operation of overseas Group companies through KAMEDA SEIKA's Overseas Business Division • Strengthen auditing framework at overseas Group companies through KAMEDA SEIKA's Audit Department
	Human Resources Retention and Development	<ul style="list-style-type: none"> • Changes in the labor market and reduction in Japan's working population due to aging of society and low birthrate • Difficulty in securing excellent human resources necessary for business activities and delays to training plans 	<ul style="list-style-type: none"> • Conduct internal training to develop female leaders • Hire external talent and foreign nationals; build an organization that is free from discrimination based on gender or age • Promote participation in external training (exchanges with other industries) • Introduce the Happy Return System to provide reemployment opportunities to former employees • Introduce the HaiHain Leave System to support male childcare • Open a technical school to cultivate leaders who will drive KAMEDA SEIKA's manufacturing

11-Year Financial and Non-Financial Highlights

Fiscal years ended March 31 of the following year

(Millions of yen)

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021 ²
Business Results											
Net sales	78,789	81,323	92,832	94,849	97,316	98,206	99,522	100,041	103,808	103,305	85,163
Operating income	3,364	3,496	2,991	4,001	4,579	5,618	5,007	5,338	5,813	5,620	4,832
Operating margin (%)	4.3	4.3	3.2	4.2	4.7	5.7	5.0	5.3	5.6	5.4	5.7
Ordinary income	4,058	4,294	4,215	5,127	6,108	7,122	6,451	6,573	6,909	6,889	6,068
Net income attributable to owners of the parent	2,277	2,842	2,400	3,317	3,953	2,702	4,110	4,402	4,463	4,757	4,419
Financial Position											
Total assets	55,112	64,664	66,130	67,167	72,597	72,606	77,052	83,251	85,825	92,888	103,421
Net assets	30,586	34,328	37,726	43,000	43,451	44,319	48,005	52,056	53,902	59,895	66,046
Equity ratio (%)	55.1	51.9	56.1	63.2	59.4	60.8	62.0	61.3	61.6	62.7	61.3
Ratio of ordinary income to total assets (%)	7.4	7.2	6.4	7.7	8.7	9.8	8.6	8.2	8.2	7.7	6.2
Interest-bearing debt	5,035	7,602	7,301	5,679	7,594	7,958	10,429	13,089	14,177	15,672	19,126
D/E ratio (%)	16.6	22.7	18.1	13.4	17.6	18.0	21.8	25.7	26.8	26.9	30.2
Return on equity (ROE) (%)	7.7	8.9	6.8	8.3	9.2	6.2	8.9	8.9	8.6	8.6	7.3
Cash Flows											
Cash flows from operating activities	5,803	5,229	5,936	7,637	6,473	7,435	7,351	6,964	8,048	8,671	8,305
Cash flows from investing activities	(3,184)	(8,044)	(5,422)	(4,722)	(5,539)	(8,558)	(8,324)	(7,283)	(7,631)	(6,337)	(9,841)
Cash flows from financing activities	(1,836)	1,481	(1,627)	(2,595)	224	(1,001)	1,376	755	(161)	(257)	1,198
Free cash flow	2,619	(2,815)	513	2,915	934	(1,123)	(973)	(318)	416	2,333	(1,535)
Per-Share Indicators											
Earnings per share (Yen)	107.56	134.78	113.83	157.32	187.51	128.17	194.95	208.78	211.71	225.62	209.63
Net assets per share (Yen)	1,439.27	1,591.37	1,760.06	2,011.81	2,046.26	2,092.11	2,267.58	2,418.97	2,508.48	2,761.24	3,007.78
Dividend per share (Yen)	24.00	24.00	26.00	31.00	36.00	42.00	49.00	51.00	52.00	53.00	54.00
Payout ratio (%)	22.3	17.8	22.8	19.7	19.2	32.8	25.1	24.4	24.6	23.5	25.8
Other											
Capital investment	2,861	3,361	6,329	4,496	6,262	9,917	7,466	7,452	5,136	5,790	8,281
Depreciation and amortization	3,690	3,475	4,081	4,310	4,390	4,494	4,082	4,001	4,652	4,612	5,063
Research and development expenses	905	878	939	976	1,036	935	956	1,003	1,117	1,139	1,056
Ratio of research and development expenses to net sales (%)	1.1	1.1	1.0	1.0	1.1	1.0	1.0	1.0	1.1	1.1	1.2
Non-Financial Indicators											
Number of employees (Consolidated)	2,835	3,010	3,048	3,043	3,049	3,152	3,428	3,197	3,379	3,362	3,776
Female employee ratio (%) ¹	35.2	34.9	34.8	35.1	35.4	35.4	41.4	39.7	39.3	38.7	40.9
Female manager ratio (%) ¹	5.3	5.9	3.9	6.5	8.4	11.0	10.6	10.4	14.7	13.3	13.1
Directors (Inside)	6	7	7	3	3	3	3	4	4	6	6
Directors (Independent outside)	2	2	2	4	4	5	5	6	6	7	7
Ratio of independent outside directors (%)	25	22	22	57	57	63	60	60	60	54	54

1. Figures for female employee ratio and female manager ratio for FY2011 through FY2016 are for KAMEDA SEIKA CO., LTD. only.

2. From FY2021, figures are presented after applying the Accounting Standard for Revenue Recognition.

Shareholder and Investor Information (As of March 31, 2022)

Stock Information

Stock Exchange Listing	Tokyo Stock Exchange, Prime Market
Securities Code	2220
Number of Shares Authorized	59,251,000
Number of Shares Outstanding	22,318,650
Number of Shareholders	13,487

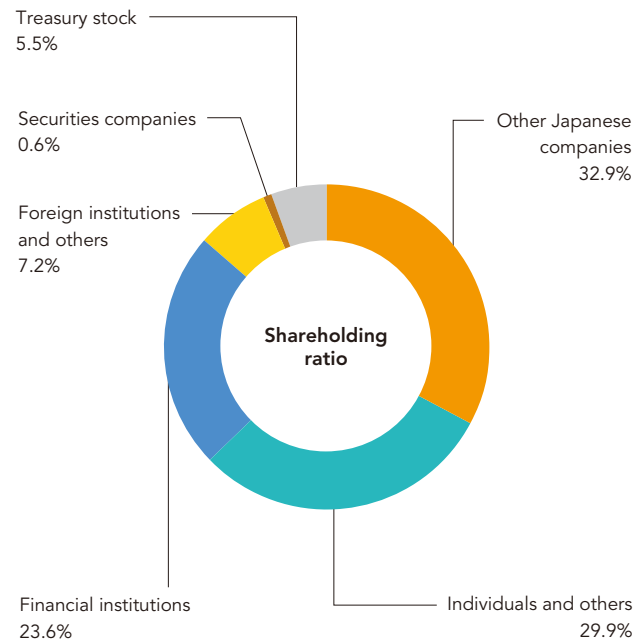
Major Shareholders¹

Name	Number of Shares Held (Thousands)	Shareholding Ratio (%) ²
EIKEI Corporation	2,102	9.96
Company's Kyoeikai	1,826	8.66
The Master Trust Bank of Japan, Ltd. (Trust account)	1,672	7.93
Daishi Hokuetsu Bank, Ltd.	1,039	4.92
Custody Bank of Japan, Ltd. (Trust account)	764	3.62
Mizuho Bank, Ltd.	762	3.61
Employees' Stockholding	460	2.18
NORTHERN TRUST CO. (AVFC) RE HCR00	445	2.11
HARASHIN Co., Ltd.	414	1.96
Kikkoman Corporation	347	1.64

1. The Company holds 1,234 thousand shares as treasury stock, but it is excluded from the above list of major shareholders.

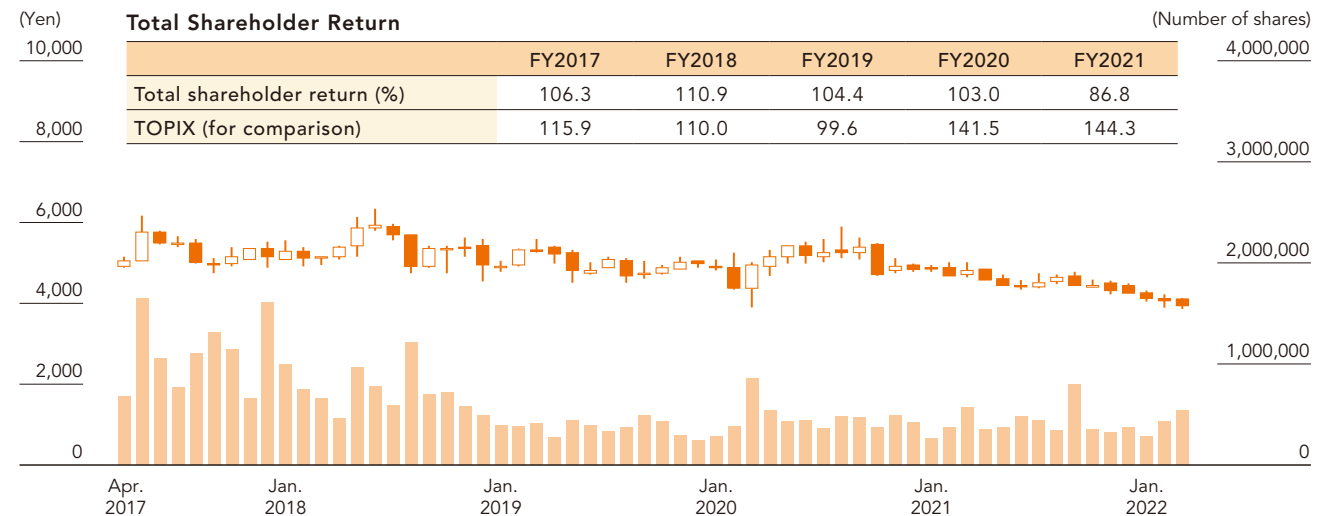
2. Treasury stock is excluded from shareholding ratio calculations.

Shareholder Composition



Stock Price and Trading Volume

Stock price (left scale) Trading volume (right scale)



Company Data (As of March 31, 2022)

Company Overview

Company Name KAMEDA SEIKA CO., LTD.

Date of Foundation September 1946

Date of Establishment August 1957

Capital ¥1,946 million

Main Business Manufacture and sale of snacks and food products including rice crackers, long-life preserved foods, plant origin lactic acid bacteria, rice flour bread and plant-based foods

Headquarters 3-1-1 Kameda-kogyodanchi, Konan-ku, Niigata-shi, Niigata 950-0198, Japan
Tel: +81 (0) 25-382-2111

Tokyo Office 2F, 3F and 4F, Hulic Tsukiji East Building
3-3-8 Irfune, Chuo-ku, Tokyo 104-0042, Japan
Tel: +81 (0)3-6858-7473
(Corporate Planning Department)

Plants Kameda Plant (Konan-ku, Niigata-shi, Niigata)
Motomachi Plant (Konan-ku, Niigata-shi, Niigata)
Suibara Plant (Agano-shi, Niigata)
Shirone Plant (Minami-ku, Niigata-shi, Niigata)

Number of Employees 3,776 (Consolidated)
1,458 (Non-consolidated)

Sales Offices 6 branches in Japan (Sendai, Tokyo, Nagoya, Osaka and Fukuoka) and 20 bases

Group Companies

■ Domestic Rice Cracker Business ■ Overseas Business ■ Food Business ■ Other

Company Name	Location	Main Business
Ajicul Co., Ltd.	Konan-ku, Niigata-shi, Niigata, Japan	Manufacturing and selling rice crackers and snacks
Toyosu Co., Ltd.	Ikeda-shi, Osaka, Japan	Manufacturing and selling rice crackers and snacks
Nisshin Seika Co., Ltd.	Utsunomiya-shi, Tochigi, Japan	Manufacturing and selling rice crackers and snacks
Mary's Gone Crackers, Inc.	Nevada, USA	Manufacturing and selling crackers and snacks
KAMEDA USA, INC.	Nevada, USA	Selling rice crackers and snacks
Singha Kameda (Thailand) Co., Ltd.	Samut Prakan Province, Thailand	Manufacturing and selling rice crackers and snacks
Qingdao Kameda Foods Co., Ltd.	Shandong Province, China	Manufacturing and selling rice crackers and snacks
LYLY KAMEDA CO., LTD.	Phnom Penh City, Cambodia	Manufacturing and selling rice crackers and snacks
THIEN HA KAMEDA, JSC.	Hung Yen Province, Vietnam	Manufacturing and selling rice crackers and snacks
TH FOODS, INC.*	Illinois, USA	Manufacturing and selling rice crackers and snacks
Daawat KAMEDA (India) Private Limited*	Haryana State, India	Manufacturing and selling rice crackers and snacks
Onisi Foods Co., Ltd.	Minato-ku, Tokyo, Japan	Manufacturing and selling long-life preserved foods
Maisen Co., Ltd.	Sabae-shi, Fukui, Japan	Producing, processing and selling agricultural products
Maisen Fine Foods Co., Ltd.	Sabae-shi, Fukui, Japan	Manufacturing, selling, importing and exporting food products
TAINAI Co., Ltd.	Tainai-shi, Niigata, Japan	Manufacturing and selling rice bread crumbs and rice flour bread
Niigata Yusou Co., Ltd.	Konan-ku, Niigata-shi, Niigata, Japan	Freight transportation and warehousing
Kameda Transport Co., Ltd.	Konan-ku, Niigata-shi, Niigata, Japan	Freight transportation
N.A.S. Co., Ltd.	Agano-shi, Niigata, Japan	Selling and repairing automobiles

* Equity-method affiliate

Please see the following website for more detailed information.

▶ Corporate Website



www.kamedaseika.co.jp/en/